

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—112th Cong., 1st Sess.

S. 1789

To improve, sustain, and transform the United States Postal Service.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. LIEBERMAN (for himself, Ms.
COLLINS, Mr. CARPER, and Mr. BROWN of Massachu-
setts)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “21st Century Postal
5 Service Act of 2011”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

TITLE I—POSTAL WORKFORCE MATTERS

Sec. 101. Treatment of postal funding surplus for Federal Employees Retirement System.

Sec. 102. Additional service credit.

2

- Sec. 103. Medicare coverage for Postal Service Medicare eligible annuitants.
- Sec. 104. Restructuring of payments for retiree health benefits.
- Sec. 105. Postal Service Health Benefits Program.
- Sec. 106. Arbitration; labor disputes.

TITLE II—POSTAL SERVICES AND OPERATIONS

- Sec. 201. Postal facilities.
- Sec. 202. Additional Postal Service planning.
- Sec. 203. Area and district office structure.
- Sec. 204. Retail service standards.
- Sec. 205. Conversion of door delivery points.
- Sec. 206. Limitations on changes to mail delivery schedule.
- Sec. 207. Time limits for consideration of service changes.
- Sec. 208. Public procedures for significant changes to mailing specifications.
- Sec. 209. Nonpostal products and services.

TITLE III—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 301. Short title; references.
- Sec. 302. Federal workers compensation reforms for retirement-age employees.
- Sec. 303. Augmented compensation for dependents.
- Sec. 304. Schedule compensation payments.
- Sec. 305. Vocational rehabilitation.
- Sec. 306. Reporting requirements.
- Sec. 307. Disability management review; independent medical examinations.
- Sec. 308. Waiting period.
- Sec. 309. Election of benefits.
- Sec. 310. Sanction for noncooperation with field nurses.
- Sec. 311. Subrogation of continuation of pay.
- Sec. 312. Integrity and compliance.
- Sec. 313. Amount of compensation.
- Sec. 314. Technical and conforming amendments.
- Sec. 315. Regulations.

TITLE IV—OTHER MATTERS

- Sec. 401. Profitability plan.
- Sec. 402. Postal rates.
- Sec. 403. Cooperation with State and local governments; intra-Service agreements.
- Sec. 404. Shipping of wine and beer.
- Sec. 405. Annual report on United States mailing industry.
- Sec. 406. Use of negotiated service agreements.
- Sec. 407. Contract disputes.
- Sec. 408. Contracting provisions.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

- 3 (1) COMMISSION.—The term “Commission”
- 4 means the Postal Regulatory Commission.

1 (2) POSTAL SERVICE.—The term “Postal Serv-
2 ice” means the United States Postal Service.

3 **TITLE I—POSTAL WORKFORCE**
4 **MATTERS**

5 **SEC. 101. TREATMENT OF POSTAL FUNDING SURPLUS FOR**
6 **FEDERAL EMPLOYEES RETIREMENT SYSTEM.**

7 Section 8423(b) of title 5, United States Code, is
8 amended—

9 (1) by redesignating paragraph (5) as para-
10 graph (6); and

11 (2) by inserting after paragraph (4) the fol-
12 lowing:

13 “(5)(A) In this paragraph, the term ‘postal funding
14 surplus’ means the amount by which the amount com-
15 puted under paragraph (1)(B) is less than zero.

16 “(B)(i) Beginning with fiscal year 2011, for each fis-
17 cal year in which the amount computed under paragraph
18 (1)(B) is less than zero, upon request of the Postmaster
19 General, the Director shall transfer to the United States
20 Postal Service from the Fund an amount equal to the
21 postal funding surplus for that fiscal year for use in ac-
22 cordance with this paragraph.

23 “(ii) The Office shall calculate the amount under
24 paragraph (1)(B) for a fiscal year by not later than June
25 15 after the close of the fiscal year, and shall transfer

1 any postal funding surplus to the United States Postal
2 Service within 10 days after a request by the Postmaster
3 General.

4 “(C) For each of fiscal years 2011, 2012, and 2013,
5 if the amount computed under paragraph (1)(B) is less
6 than zero, a portion of the postal funding surplus for the
7 fiscal year shall be used by the United States Postal Serv-
8 ice for the cost of providing to employees of the United
9 States Postal Service who voluntarily separate from serv-
10 ice before October 1, 2014—

11 “(i) voluntary separation incentive payments
12 (including payments to employees who retire under
13 section 8336(d)(2) or 8414(b)(1)(B) before October
14 1, 2014) that may not exceed the maximum amount
15 provided under section 3523(b)(3)(B) for any em-
16 ployee; and

17 “(ii) retirement service credits, as authorized
18 under section 8332(p) or 8411(m).

19 “(D) Any postal funding surplus for a fiscal year not
20 expended under subparagraph (C) may be used by the
21 United States Postal Service for the purposes of—

22 “(i) repaying any obligation issued under sec-
23 tion 2005 of title 39; or

24 “(ii) making required payments to—

1 “(I) the Employees’ Compensation Fund
2 established under section 8147;

3 “(II) the Postal Service Retiree Health
4 Benefits Fund established under section 8909a;

5 “(III) the Employees Health Benefits
6 Fund established under section 8909; or

7 “(IV) the Civil Service Retirement and
8 Disability Fund.”.

9 **SEC. 102. ADDITIONAL SERVICE CREDIT.**

10 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
11 8332 of title 5, United States Code, is amended by adding
12 at the end the following:

13 “(p)(1)(A) For an employee of the United States
14 Postal Service who is covered under this subchapter and
15 voluntarily separates from service before October 1, 2014,
16 at the direction of the United States Postal Service, the
17 Office shall add not more than 1 year (as specified by the
18 United States Postal Service) to the total creditable serv-
19 ice of the employee for purposes of determining entitle-
20 ment to and computing the amount of an annuity under
21 this subchapter (except for a disability annuity under sec-
22 tion 8337).

23 “(B) An employee who receives additional creditable
24 service under this paragraph may not receive a voluntary

1 separation incentive payment from the United States
2 Postal Service.

3 “(2)(A) Subject to subparagraph (B), and notwith-
4 standing any other provision of law, no deduction, deposit,
5 or contribution shall be required for service credited under
6 this subsection.

7 “(B) The actuarial present value of the additional li-
8 ability of the United States Postal Service to the Fund
9 resulting from this subsection shall be included in the
10 amount calculated under section 8348(h)(1)(A).”.

11 (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
12 Section 8411 of title 5, United States Code, is amended
13 by adding at the end the following:

14 “(m)(1)(A) For an employee of the United States
15 Postal Service who is covered under this chapter and vol-
16 untarily separates from service before October 1, 2014,
17 at the direction of the United States Postal Service, the
18 Office shall add not more than 2 years (as specified by
19 the United States Postal Service) to the total creditable
20 service of the employee for purposes of determining enti-
21 tlement to and computing the amount of an annuity under
22 this chapter (except for a disability annuity under sub-
23 chapter V of that chapter).

24 “(B) An employee who receives additional creditable
25 service under this paragraph may not receive a voluntary

1 separation incentive payment from the United States
2 Postal Service.

3 “(2)(A) Subject to subparagraph (B), and notwith-
4 standing any other provision of law, no deduction, deposit,
5 or contribution shall be required for service credited under
6 this subsection.

7 “(B) The actuarial present value of the additional li-
8 ability of the United States Postal Service to the Fund
9 resulting from this subsection shall be included in the
10 amount calculated under section 8423(b)(1)(B).”.

11 **SEC. 103. MEDICARE COVERAGE FOR POSTAL SERVICE**

12 **MEDICARE ELIGIBLE ANNUITANTS.**

13 (a) FEDERAL EMPLOYEES HEALTH BENEFITS
14 PLANS.—

15 (1) IN GENERAL.—Chapter 89 of title 5, United
16 States Code, is amended by inserting after section
17 8903b the following:

18 **“§ 8903c. Postal Service Medicare eligible annuitants**

19 “(a) DEFINITIONS.—In this section—

20 “(1) the term ‘contract year’ means a calendar
21 year in which health benefits plans are administered
22 under this chapter;

23 “(2) the term ‘Medicare part A’ means the
24 Medicare program for hospital insurance benefits

1 under part A of title XVIII of the Social Security
2 Act (42 U.S.C. 1395c et seq.);

3 “(3) the term ‘Medicare part B’ means the
4 Medicare program for supplementary medical insur-
5 ance benefits under part B of title XVIII of the So-
6 cial Security Act (42 U.S.C. 1395j et seq.); and

7 “(4) the term ‘Postal Service Medicare eligible
8 annuitant’ means an individual who—

9 “(A) is an annuitant covered under this
10 chapter whose Government contribution is paid
11 by the Postal Service under section 8906(g)(2);
12 and

13 “(B) is eligible to enroll in Medicare part
14 A and Medicare part B.

15 “(b) REQUIREMENT OF MEDICARE ENROLLMENT.—

16 “(1) POSTAL SERVICE MEDICARE ELIGIBLE AN-
17 NUITANTS.—

18 “(A) IMMEDIATE APPLICATION.—An indi-
19 vidual who is a Postal Service Medicare eligible
20 annuitant on the date of enactment of the 21st
21 Century Postal Service Act of 2011 may not
22 continue coverage under this chapter, unless
23 that individual enrolls in Medicare part A and
24 Medicare part B during the special enrollment

1 period established under section 1837(m) of the
2 Social Security Act.

3 “(B) PROSPECTIVE APPLICATION.—An in-
4 dividual who becomes a Postal Service Medicare
5 eligible annuitant after the date of enactment of
6 the 21st Century Postal Service Act of 2011
7 may not continue coverage under this chapter,
8 unless after becoming eligible for Medicare part
9 A and Medicare part B that individual enrolls
10 in Medicare part A and Medicare part B during
11 the applicable initial enrollment period under
12 section 1837 of the Social Security Act (42
13 U.S.C. 1395p).

14 “(2) FAMILY MEMBERS OF POSTAL SERVICE
15 MEDICARE ELIGIBLE ANNUITANTS.—

16 “(A) FAMILY MEMBER IS MEDICARE ELIGI-
17 BLE.—An individual who is a Postal Service
18 Medicare eligible annuitant, is enrolled in self
19 and family coverage under this chapter, and has
20 a member of the family who is eligible to enroll
21 in Medicare part A and Medicare part B, but
22 who has not enrolled, on the date the individual
23 becomes a Postal Service Medicare eligible an-
24 nuitant, may not continue coverage under this
25 chapter, unless—

1 “(i) the family member enrolls in
2 Medicare part A and Medicare part B dur-
3 ing the special enrollment period estab-
4 lished under section 1837(m) of the Social
5 Security Act; or

6 “(ii) the individual enrolls for self only
7 coverage under this chapter.

8 “(B) FAMILY MEMBER BECOMES MEDI-
9 CARE ELIGIBLE.—An individual who is a Postal
10 Service Medicare eligible annuitant, is enrolled
11 in self and family coverage under this chapter,
12 and has a member of the family who becomes
13 eligible to enroll in Medicare part A and Medi-
14 care part B after the individual becomes a
15 Postal Service Medicare eligible annuitant, may
16 not continue coverage under this chapter, un-
17 less—

18 “(i) the family member enrolls in
19 Medicare part A and Medicare part B dur-
20 ing the applicable initial enrollment period
21 under section 1837 of the Social Security
22 Act (42 U.S.C. 1395p); or

23 “(ii) the individual enrolls for self only
24 coverage under this chapter.

25 “(c) ENROLLMENT OPTIONS.—

1 “(1) ESTABLISHMENT.—For contract years fol-
2 lowing the date of enactment of the 21st Century
3 Postal Service Act of 2011, the Office shall establish
4 enrollment options for health benefits plans that are
5 open only to Postal Service Medicare eligible annu-
6 itants or family members of a Postal Service Medi-
7 care eligible annuitants who continue coverage under
8 this chapter in accordance with subsection (b).

9 “(2) ENROLLMENT REQUIREMENT.—Any Post-
10 al Service Medicare eligible annuitant or family
11 member of a Postal Service Medicare eligible annu-
12 itant who continues coverage under this chapter in
13 accordance with subsection (b) may only enroll in 1
14 of the enrollment options established under para-
15 graph (1).

16 “(3) VALUE OF COVERAGE.—The Office shall
17 ensure that the aggregate actuarial value of coverage
18 under the enrollment options established under this
19 subsection, in combination with the value of coverage
20 under Medicare part A and Medicare part B, shall
21 be not less than the actuarial value of the most
22 closely corresponding enrollment options available
23 under section 8905, in combination with the value of
24 coverage under Medicare part A and Medicare part
25 B. .

1 “(4) ENROLLMENT OPTIONS.—

2 “(A) IN GENERAL.—The enrollment op-
3 tions established under paragraph (1) shall in-
4 clude—

5 “(i) an individual option, for Postal
6 Service Medicare eligible annuitants sub-
7 ject to subsection (b)(1);

8 “(ii) a self and family option, for
9 Postal Service Medicare eligible annuitants
10 subject to subsection (b)(1) and family
11 members of Postal Service Medicare eligi-
12 ble annuitants subject to subsection (b)(2);
13 and

14 “(iii) a self and family option, for
15 Postal Service Medicare eligible annuitants
16 subject to subsection (b)(1) and family
17 members of Postal Service Medicare eligi-
18 ble annuitants, including family members
19 not subject to subsection (b)(2).

20 “(B) SPECIFIC SUB-OPTIONS.—The Office
21 may establish more specific enrollment options
22 within the types of options described under sub-
23 paragraph (A).

24 “(5) REDUCED PREMIUMS TO ACCOUNT FOR
25 MEDICARE COORDINATION.—In determining the pre-

1 miums for the enrollment options under paragraph
2 (4), the Office shall—

3 “(A) establish a separate claims pool for
4 individuals eligible for coverage under those op-
5 tions; and

6 “(B) ensure that—

7 “(i) the premiums are reduced from
8 the premiums otherwise established under
9 this chapter to directly reflect the full cost
10 savings to the health benefits plans due to
11 the complete coordination of benefits with
12 Medicare part A and Medicare part B for
13 Postal Service Medicare eligible annuitants
14 or family members of Postal Service Medi-
15 care eligible annuitants who continue cov-
16 erage under this chapter; and

17 “(ii) the cost savings described under
18 clause (i) result solely in the reduction
19 of—

20 “(I) the premiums paid by the
21 Postal Service Medicare eligible annu-
22 itant; and

23 “(II) the Government contribu-
24 tions paid by the Postal Service.

1 “(6) DETERMINATION TO NOT IMPLEMENT.—

2 The implementation of this subsection shall be sub-
3 ject to section 103(a)(3)(B) of the 21st Century
4 Postal Service Act of 2011.

5 “(d) CONVERSION OF ENROLLMENT.—

6 “(1) IN GENERAL.—For any individual who en-
7 rolls in Medicare part A and Medicare part B in ac-
8 cordance with subsection (b) other than during the
9 special enrollment period established under section
10 1837(m) of the Social Security Act, coverage under
11 this chapter shall be converted to coverage under the
12 applicable enrollment option established under sub-
13 section (c) upon enrollment in Medicare part A and
14 Medicare part B.

15 “(2) NOTIFICATION.—The Office shall provide
16 reasonable advance notice to any Postal Service
17 Medicare eligible annuitant or family member of any
18 Postal Service Medicare eligible annuitant that such
19 annuitant or family member will become subject to
20 conversion of enrollment under paragraph (1).

21 “(e) POSTAL SERVICE CONSULTATION.—The Office
22 shall establish the enrollment options and premiums under
23 this section in consultation with the Postal Service.”.

24 (2) TECHNICAL AND CONFORMING AMEND-
25 MENTS.—The table of sections for chapter 89 of title

1 5, United States Code, is amended by inserting after
2 the item relating to section 8903b the following:

“8903c. Postal Service Medicare eligible annuitants.”.

3 (3) EFFECTIVE DATE AND APPLICATION.—

4 (A) IN GENERAL.—Except as provided
5 under subparagraph (B), the amendments made
6 by this subsection shall apply with respect to
7 contract years beginning 6 months following the
8 date of enactment of this Act.

9 (B) DETERMINATION TO NOT IMPLEMENT
10 ENROLLMENT OPTIONS.—If the Postmaster
11 General and the Director of the Office of Per-
12 sonnel Management jointly determine that im-
13 plementing the requirements of 8903c(c) of title
14 5, United States Code, as added by this Act,
15 will not result in significant financial savings to
16 the Postal Service—

17 (i) the Postmaster General and the
18 Director of the Office of Personnel Man-
19 agement shall notify Congress of that de-
20 termination; and

21 (ii) the Office of Personnel Manage-
22 ment shall not be required to implement
23 that subsection.

24 (b) SPECIAL ENROLLMENT PERIOD FOR POSTAL
25 SERVICE MEDICARE ELIGIBLE ANNUITANTS.—

1 (1) SPECIAL ENROLLMENT PERIOD.—

2 (A) IN GENERAL.—Section 1837 of the So-
3 cial Security Act (42 U.S.C. 1395p) is amended
4 by adding at the end the following new sub-
5 section:

6 “(m)(1)(A) In the case of any individual who is a
7 Postal Service Medicare-eligible annuitant (as defined in
8 section 8903c(a) of title 5, United States Code) at the
9 time the individual is entitled to part A under section
10 226(b) or section 226A and who is eligible to enroll but
11 who has elected not to enroll (or to be deemed enrolled)
12 during the individual’s initial enrollment period, there
13 shall be a special enrollment period described in subpara-
14 graph (B).

15 “(B) The special enrollment period described in this
16 subparagraph is the 6-month period, beginning on the first
17 day of the month, which includes the date of enactment
18 of the 21st Century Postal Service Act of 2011.

19 “(2)(A) In the case of an individual who is an officer
20 or employee of the Postal Service on or after the date of
21 enactment of the 21st Century Postal Service Act of 2011,
22 who is entitled to part A under section 226(b) or section
23 226A before the date that such person becomes an annu-
24 itant by reason of retirement from the Postal Service, and
25 who is eligible to enroll but who has elected not to enroll

1 (or to be deemed enrolled) during the individual’s initial
2 enrollment period, there shall be a special enrollment pe-
3 riod described in subparagraph (B).

4 “(B) The special enrollment period described in this
5 subparagraph is the 6-month period, beginning on the first
6 day of the third month before the month that includes the
7 date on which the individual becomes a Postal Service
8 Medicare eligible annuitant subject to section 8903c of
9 title 5, United States Code.

10 “(3)(A) In the case of an individual who is a family
11 member of an officer, employee, or annuitant of the Postal
12 Service other than a Postal Service Medicare-eligible an-
13 nuitant (as defined in section 8903c(a) of title 5, United
14 States Code), who becomes or has become entitled to part
15 A under section 226(b) or section 226A before such offi-
16 cer, employee, or annuitant becomes a Postal Service
17 Medicare-eligible annuitant, and who is eligible to enroll
18 but who has elected not to enroll (or to be deemed en-
19 rolled) during the individual’s initial enrollment period,
20 there shall be a special enrollment period described in sub-
21 paragraph (B).

22 “(B) The special enrollment period described in this
23 subparagraph is the period equivalent to and concurrent
24 with any enrollment period available to the Postal Service
25 officer, employee, or annuitant under this section.

1 “(4) In the case of an individual who enrolls during
2 the special enrollment periods provided under paragraphs
3 (1), (2), or (3), the coverage period under this part shall
4 begin on the first day of the month in which the individual
5 enrolls.”.

6 (B) EFFECTIVE DATE.—The amendment
7 made by subparagraph (A) shall apply to elec-
8 tions made with respect to initial enrollment pe-
9 riods that end after the date of enactment of
10 the 21st Century Postal Service Act of 2011.

11 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-
12 tion 1839(b) of the Social Security Act (42 U.S.C.
13 1395r(b)) is amended by striking “(i)(4) or (l)” and
14 inserting “(i)(4), (l), or (m)”.

15 **SEC. 104. RESTRUCTURING OF PAYMENTS FOR RETIREE**
16 **HEALTH BENEFITS.**

17 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title
18 5, United States Code, is amended by striking “through
19 September 30, 2016, be paid by the United States Postal
20 Service, and thereafter shall” and inserting “after the date
21 of enactment of the 21st Century Postal Service Act of
22 2011”.

23 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS
24 FUND.—Section 8909a of title 5, United States Code, is
25 amended—

1 (1) in subsection (d)—

2 (A) in paragraph (2)(B)—

3 (i) by striking “2017” and inserting
4 “2012”; and

5 (ii) by inserting after “later, of” the
6 following: “80 percent of”; and

7 (B) in paragraph (3)—

8 (i) in subparagraph (A)—

9 (I) in clause (iii), by adding
10 “and” at the end;

11 (II) in clause (iv), by striking the
12 semicolon at the end and inserting a
13 period; and

14 (III) by striking clauses (v)
15 through (x); and

16 (ii) in subparagraph (B), by striking
17 “2017” and inserting “2012”; and

18 (2) by adding at the end the following:

19 “(e) Subsections (a) through (d) shall be subject to
20 section 105 of the 21st Century Postal Service Act of
21 2011.”.

22 **SEC. 105. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

23 (a) DEFINITIONS.—In this section—

24 (1) the term “covered employee” means an em-
25 ployee of the Postal Service who is represented by a

1 bargaining representative recognized under section
2 1203 of title 39, United States Code;

3 (2) the term “Federal Employee Health Bene-
4 fits Program” means the health benefits program
5 under chapter 89 of title 5, United States Code; and

6 (3) the term “Postal Service Health Benefits
7 Program” means the health benefits program that
8 may be agreed to under subsection (b)(1).

9 (b) COLLECTIVE BARGAINING.—

10 (1) IN GENERAL.—Consistent with section
11 1005(f) of title 39, United States Code, the Postal
12 Service may negotiate jointly with all bargaining
13 representatives recognized under section 1203 of
14 title 39, United States Code, and enter into a joint
15 collective bargaining agreement with those bar-
16 gaining representatives to establish the Postal Serv-
17 ice Health Benefits Program that satisfies the condi-
18 tions under subsection (c). The Postal Service and
19 the bargaining representatives shall negotiate in con-
20 sultation with the Director of the Office of Per-
21 sonnel Management.

22 (2) CONSULTATION WITH SUPERVISORY AND
23 MANAGERIAL PERSONNEL.—In the course of nego-
24 tiations under paragraph (1), the Postal Service
25 shall consult with each of the organizations of super-

1 visory and other managerial personnel that are rec-
2 ognized under section 1004 of title 39, United
3 States Code, concerning the views of the personnel
4 represented by each of those organizations.

5 (3) ARBITRATION LIMITATION.—Notwith-
6 standing chapter 12 of title 39, United States Code,
7 there shall not be arbitration of any dispute in the
8 negotiations under this subsection.

9 (4) TIME LIMITATION.—The authority under
10 this subsection shall extend until September 30,
11 2012.

12 (c) POSTAL SERVICE HEALTH BENEFITS PRO-
13 GRAM.—The Postal Service Health Benefits Program—

14 (1) shall—

15 (A) be available for participation by all
16 covered employees;

17 (B) be available for participation by any
18 officer or employee of the Postal Service who is
19 not a covered employee, at the option solely of
20 that officer or employee;

21 (C) provide adequate and appropriate
22 health benefits;

23 (D) be administered in a manner deter-
24 mined in a joint agreement reached under sub-
25 section (b); and

1 (E) provide for transition of coverage
2 under the Federal Employee Health Benefits
3 Program of covered employees to coverage
4 under the Postal Service Health Benefits Pro-
5 gram on January 1, 2013;

6 (2) may provide dental benefits; and

7 (3) may provide vision benefits.

8 (d) AGREEMENT AND IMPLEMENTATION.—If a joint
9 agreement is reached under subsection (b)—

10 (1) the Postal Service shall implement the Post-
11 al Service Health Benefits Program;

12 (2) the Postal Service Health Benefits Program
13 shall constitute an agreement between the collective
14 bargaining representatives and the Postal Service for
15 purposes of section 1005(f) of title 39, United
16 States Code; and

17 (3) covered employees may not participate as
18 employees in the Federal Employees Health Benefits
19 Program.

20 (e) GOVERNMENT PLAN.—The Postal Service Health
21 Benefits Program shall be a government plan as that term
22 is defined under section 3(32) of Employee Retirement In-
23 come Security Act of 1974 (29 U.S.C. 1002(32)).

24 (f) REPORT.—Not later than June 30, 2013, the
25 Postal Service shall submit a report to the Committee on

1 Homeland Security and Governmental Affairs of the Sen-
2 ate and the Committee on Oversight and Government Re-
3 form of the House of Representatives that—

4 (1) reports on the implementation of this sec-
5 tion; and

6 (2) requests any additional statutory authority
7 that the Postal Service determines is necessary to
8 carry out the purposes of this section.

9 **SEC. 106. ARBITRATION; LABOR DISPUTES.**

10 Section 1207(c)(2) of title 39, United States Code,
11 is amended—

12 (1) by inserting “(A)” after “(2)”;

13 (2) by striking the last sentence and inserting
14 “The arbitration board shall render a decision not
15 later than 45 days after the date of its appoint-
16 ment.”; and

17 (3) by adding at the end the following:

18 “(B) In rendering a decision under this paragraph,
19 the arbitration board shall consider such relevant factors
20 as—

21 “(i) the financial condition of the Postal Serv-
22 ice;

23 “(ii) the requirements relating to pay and com-
24 pensation comparability under section 1003(a); and

25 “(iii) the policies of this title.”.

1 **TITLE II—POSTAL SERVICES**
2 **AND OPERATIONS**

3 **SEC. 201. POSTAL FACILITIES.**

4 Section 404 of title 39, United States Code, is
5 amended by adding after subsection (e) the following:

6 “(f) CLOSING OR CONSOLIDATION OF CERTAIN
7 POSTAL FACILITIES.—

8 “(1) POSTAL FACILITY.—In this subsection, the
9 term ‘postal facility’—

10 “(A) means any Postal Service facility that
11 is primarily involved in the preparation, dis-
12 patch, or other physical processing of mail; and

13 “(B) does not include—

14 “(i) any post office, station, or
15 branch; or

16 “(ii) any facility used only for admin-
17 istrative functions.

18 “(2) AREA MAIL PROCESSING STUDY.—

19 “(A) NEW AREA MAIL PROCESSING STUD-
20 IES.—After the date of enactment of this sub-
21 section, before making a determination under
22 subsection (a)(3) as to the necessity for the
23 closing or consolidation of any postal facility,
24 the Postal Service shall—

1 “(i) conduct an area mail processing
2 study relating to that postal facility that
3 includes a plan to reduce the capacity of
4 the postal facility, but not close the postal
5 facility;

6 “(ii) publish the study on the Postal
7 Service website; and

8 “(iii) publish a notice that the study
9 is complete and available to the public, in-
10 cluding on the Postal Service website.

11 “(B) COMPLETED OR ONGOING AREA MAIL
12 PROCESSING STUDIES.—

13 “(i) IN GENERAL.—In the case of a
14 postal facility described in clause (ii), the
15 Postal Service shall—

16 “(I) consider a plan to reduce the
17 capacity of the postal facility, but not
18 close the post facility; and

19 “(II) publish the results of the
20 consideration under subclause (I) with
21 or as an amendment to the area mail
22 processing study relating to the postal
23 facility.

24 “(ii) POSTAL FACILITIES.—A postal
25 facility described in this clause is a postal

1 facility for which, on or before the date of
2 enactment of this subsection—

3 “(I) an area mail processing
4 study that does not include a plan to
5 reduce the capacity of the postal facil-
6 ity, but not close the facility, has been
7 completed or is in progress; and

8 “(II) a determination as to the
9 necessity for the closing or consolida-
10 tion of the postal facility has not been
11 made.

12 “(3) NOTICE, PUBLIC COMMENT, AND PUBLIC
13 HEARING.—If the Postal Service makes a determina-
14 tion under subsection (a)(3) to close or consolidate
15 a postal facility, the Postal Service shall—

16 “(A) provide notice of the determination
17 to—

18 “(i) Congress; and

19 “(ii) the Postal Regulatory Commis-
20 sion;

21 “(B) provide adequate public notice of the
22 intention of the Postal Service to close or con-
23 solidate the postal facility;

24 “(C) ensure that interested persons have
25 an opportunity to submit public comments dur-

1 ing a 45-day period after the notice of intention
2 is provided under subparagraph (B);

3 “(D) before that 45-day period provide for
4 public notice of that opportunity by—

5 “(i) publication on the Postal Service
6 website;

7 “(ii) posting at the affected postal fa-
8 cility; and

9 “(iii) advertising the date and location
10 of the public community meeting under
11 subparagraph (E); and

12 “(E) during the 45-day period described
13 under subparagraph (C), conduct a public com-
14 munity meeting that provides an opportunity
15 for public comments to be submitted verbally or
16 in writing.

17 “(4) FURTHER CONSIDERATIONS.—Not earlier
18 than 30 days after the end of the 45-day period for
19 public comment under paragraph (3), the Postal
20 Service, in making a determination whether or not
21 to close or consolidate a postal facility, shall con-
22 sider—

23 “(A) the views presented by interested per-
24 sons solicited under paragraph (3);

1 “(B) the effect of the closing or consolida-
2 tion on the affected community, including any
3 disproportionate impact the closure or consoli-
4 dation may have on a State, region, or locality;

5 “(C) the effect of the closing or consolida-
6 tion on the travel times and distances for af-
7 fected customers to access services under the
8 proposed closing or consolidation;

9 “(D) the effect of the closing or consolida-
10 tion on delivery times for all classes of mail;

11 “(E) any characteristics of certain geo-
12 graphical areas, such as remoteness, broadband
13 internet availability, and weather-related obsta-
14 cles to using alternative facilities, that may re-
15 sult in the closing or consolidation having a
16 unique effect; and

17 “(F) any other factor the Postal Service
18 determines is necessary.

19 “(5) JUSTIFICATION STATEMENT.—Before the
20 date on which the Postal Service closes or consoli-
21 dates a postal facility, the Postal Service shall post
22 on the Postal Service website a closure or consolida-
23 tion justification statement that includes—

1 “(A) a response to all public comments re-
2 ceived with respect to the considerations de-
3 scribed under paragraph (4);

4 “(B) a description of the considerations
5 made by the Postal Service under paragraph
6 (4); and

7 “(C) the actions that will be taken by the
8 Postal Service to mitigate any negative effects
9 identified under paragraph (4).

10 “(6) CLOSING OR CONSOLIDATION OF POSTAL
11 FACILITIES.—

12 “(A) IN GENERAL.—Not earlier than the
13 15 days after posting and publishing the final
14 determination and the justification statement
15 under paragraph (6) with respect to a postal fa-
16 cility, the Postal Service may close or consoli-
17 date the postal facility.

18 “(B) ALTERNATIVE INTAKE OF MAIL.—If
19 the Postal Service closes or consolidates a post-
20 al facility under subparagraph (A), the Postal
21 Service shall make reasonable efforts to ensure
22 continued mail receipt from customers of the
23 closed or consolidated postal facility at the
24 same location or at another appropriate location

1 in close geographic proximity to the closed or
2 consolidated postal facility.

3 “(7) POSTAL SERVICE WEBSITE.—For purposes
4 of any notice required to be published on the Postal
5 Service website under this subsection, the Postal
6 Service shall ensure that the Postal Service
7 website—

8 “(A) is updated routinely; and

9 “(B) provides any person, at the option of
10 the person, the opportunity to receive relevant
11 updates by electronic mail.

12 “(8) PROTECTION OF CERTAIN INFORMA-
13 TION.—Nothing in this subsection may be construed
14 to require the Postal Service to disclose—

15 “(A) any proprietary data, including any
16 reference or citation to proprietary data; and

17 “(B) any information relating to the secu-
18 rity of a postal facility.”.

19 **SEC. 202. ADDITIONAL POSTAL SERVICE PLANNING.**

20 Section 302(d) of the Postal Accountability and En-
21 hancement Act of 2006 (39 U.S.C. 3691 note) is amend-
22 ed—

23 (1) in paragraph (8), by striking the period at
24 the end and inserting “; and”;

1 (2) by redesignating paragraphs (1) through
2 (8) as subparagraphs (A) through (H), respectively,
3 and adjusting the margins accordingly;

4 (3) in the matter preceding subparagraph (A),
5 as so redesignated, by striking “shall include” and
6 inserting the following: “shall—

7 “(1) include”; and

8 (4) by adding at the end the following:

9 “(2) where possible, provide for an improve-
10 ment in customer access to postal services;

11 “(3) consider the impact of any decisions by the
12 Postal Service relating to the implementation of the
13 plan on small communities and rural areas; and

14 “(4) ensure that—

15 “(A) small communities and rural areas
16 continue to receive regular and effective access
17 to retail postal services after implementation of
18 the plan; and

19 “(B) the Postal Service solicits community
20 input in accordance with applicable provisions
21 of Federal law.”.

22 **SEC. 203. AREA AND DISTRICT OFFICE STRUCTURE.**

23 (a) **PLAN REQUIRED.**—Not later than 1 year after
24 the date of enactment of this Act, the Postal Service shall
25 submit to the Committee on Homeland Security and Gov-

1 ernmental Affairs of the Senate and the Committee on
2 Oversight and Governmental Reform of the House of Rep-
3 resentatives—

4 (1) a comprehensive strategic plan to govern
5 decisions relating to area and district office struc-
6 ture that considers efficiency, costs, redundancies,
7 mail volume, technological advancements, oper-
8 ational considerations, and other issues that may be
9 relevant to establishing an effective area and district
10 office structure; and

11 (2) a 10-year plan, including a timetable, that
12 provides for consolidation of area and district offices
13 wherever the Postal Service determines a consolida-
14 tion would—

15 (A) be cost-effective; and

16 (B) not substantially and adversely affect
17 the operations of the Postal Service.

18 (b) CONSOLIDATION.—Beginning not later than 1
19 year after the date of enactment of this Act, the Postal
20 Service shall, consistent with the plans required under and
21 the criteria described in subsection (a)—

22 (1) consolidate district offices that are located
23 within 50 miles of each other;

1 (2) consolidate area and district offices that
2 have less than the mean mail volume and number of
3 work hours for all area and district offices; and

4 (3) relocate area offices to headquarters.

5 (c) UPDATES.—The Postal Service shall update the
6 plans required under subsection (a) not less frequently
7 than once every 5 years.

8 **SEC. 204. RETAIL SERVICE STANDARDS.**

9 (a) ESTABLISHMENT OF SERVICE STANDARDS.—Not
10 later than 1 year after the date of enactment of this Act,
11 the Postal Service shall exercise its authority under sec-
12 tion 3691 of title 39, United States Code, to establish
13 service standards for market-dominant products in order
14 to guarantee customers of the Postal Service regular and
15 effective access to retail postal services nationwide (includ-
16 ing in territories and possessions of the United States)
17 on a reasonable basis.

18 (b) CONTENTS.—The service standards established
19 under subsection (a) shall—

20 (1) be consistent with—

21 (A) the obligations of the Postal Service
22 under section 101(b) of title 39, United States
23 Code; and

24 (B) the contents of the plan developed
25 under section 302 of the Postal Accountability

1 and Enhancement Act of 2006 (39 U.S.C. 3691
2 note), as amended by section 202 of this Act;
3 and

4 (2) take into account factors including—

5 (A) geography, including the establishment
6 of standards for the proximity of retail postal
7 services to postal customers, including a consid-
8 eration of the reasonable maximum time a post-
9 al customer should expect to travel to access a
10 postal retail location;

11 (B) population, including population den-
12 sity, demographic factors such as the age and
13 disability status of individuals in the area to be
14 served by a location providing postal retail serv-
15 ices, and other factors that may impact the
16 ability of postal customers, including busi-
17 nesses, to travel to a postal retail location;

18 (C) the feasibility of offering retail access
19 to postal services in addition to post offices, as
20 described in section 302(d) of the Postal Ac-
21 countability and Enhancement Act of 2006 (39
22 U.S.C. 3691 note); and

23 (D) the requirement that the Postal Serv-
24 ice serve remote areas and communities with
25 transportation challenges, including commu-

1 nities in which the effects of inclement weather
2 or other natural conditions might obstruct or
3 otherwise impede access to retail postal serv-
4 ices.

5 **SEC. 205. CONVERSION OF DOOR DELIVERY POINTS.**

6 (a) IN GENERAL.—Subchapter VII of chapter 36 of
7 title 39, United States Code, is amended by adding at the
8 end the following:

9 **“§ 3692. Conversion of door delivery points**

10 “(a) DEFINITIONS.—In this section, the following
11 definitions shall apply:

12 “(1) CENTRALIZED DELIVERY POINT.—The
13 term ‘centralized delivery point’ means a group or
14 cluster of mail receptacles at 1 delivery point that is
15 within reasonable proximity of the street address as-
16 sociated with the delivery point.

17 “(2) CURBLINE DELIVERY POINT.—The term
18 ‘curbline delivery point’ means a delivery point that
19 is—

20 “(A) adjacent to the street address associ-
21 ated with the delivery point; and

22 “(B) accessible by vehicle on a street that
23 is not a private driveway.

1 “(3) DOOR DELIVERY POINT.—The term ‘door
2 delivery point’ means a delivery point at a door of
3 the structure at a street address.

4 “(4) SIDEWALK DELIVERY POINT.—The term
5 ‘sidewalk delivery point’ means a delivery point on a
6 sidewalk adjacent to the street address associated
7 with the delivery point.

8 “(b) CONVERSION.—Except as provided in subsection
9 (c), and in accordance with the profitability plan required
10 under section 401 and standards established by the Postal
11 Service, the Postal Service may, to the maximum extent
12 feasible, convert door delivery points to—

13 “(1) curblane delivery points;

14 “(2) sidewalk delivery points; or

15 “(3) centralized delivery points.

16 “(c) EXCEPTIONS.—

17 “(1) CONTINUED DOOR DELIVERY.—The Postal
18 Service may allow for the continuation of door deliv-
19 ery due to—

20 “(A) a physical hardship of a customer;

21 “(B) weather, in a geographic area where
22 snow removal efforts could obstruct access to
23 mailboxes near a road;

1 “(C) circumstances in an urban area that
2 preclude efficient use of curbside delivery
3 points;

4 “(D) other exceptional circumstances, as
5 determined in accordance with regulations
6 issued by the Postal Service; or

7 “(E) other circumstances in which the
8 Postal Service determines that alternatives to
9 door delivery would not be practical or cost ef-
10 fective.

11 “(2) NEW DOOR DELIVERY POINTS.—The Post-
12 al Service may provide door delivery to a new deliv-
13 ery point in a delivery area that received door deliv-
14 ery on the day before the date of enactment of this
15 section, if the delivery point is established before the
16 delivery area is converted from door delivery under
17 subsection (b).

18 “(d) SOLICITATION OF COMMENTS.—The Postal
19 Service shall establish procedures to solicit, consider, and
20 respond to input from individuals affected by a conversion
21 under this section.

22 “(e) REVIEW.—Subchapter V of this chapter shall
23 not apply with respect to any action taken by the Postal
24 Service under this section.

1 “(f) REPORT.—Not later than 60 days after the end
2 of each fiscal year through fiscal year 2015, the Postal
3 Service shall submit to Congress and the Inspector Gen-
4 eral of the Postal Service a report on the implementation
5 of this section during the preceding fiscal year that—

6 “(1) includes the number of door delivery
7 points—

8 “(A) that existed at the end of the fiscal
9 year preceding the preceding fiscal year;

10 “(B) that existed at the end of the pre-
11 ceding fiscal year;

12 “(C) that, during the preceding fiscal year,
13 converted to—

14 “(i) curblane delivery points or side-
15 walk delivery points;

16 “(ii) centralized delivery points; and

17 “(iii) any other type of delivery point;

18 and

19 “(D) for which door delivery was continued
20 under subsection (c)(1);

21 “(2) estimates any cost savings, revenue loss, or
22 decline in the value of mail resulting from the con-
23 versions from door delivery that occurred during the
24 preceding fiscal year;

1 “(3) describes the progress of the Postal Serv-
2 ice toward achieving the conversions authorized
3 under subsection (b); and

4 “(4) provides such additional information as the
5 Postal Service considers appropriate.”.

6 (b) CLERICAL AMENDMENT.—The table of sections
7 for subchapter VII of chapter 36 of title 39, United States
8 Code, is amended by adding at the end the following:

“3692. Conversion of door delivery points.”.

9 **SEC. 206. LIMITATIONS ON CHANGES TO MAIL DELIVERY**
10 **SCHEDULE.**

11 (a) LIMITATION ON CHANGE IN SCHEDULE.—Not-
12 withstanding any other provision of law—

13 (1) the Postal Service may not establish a gen-
14 eral, nationwide delivery schedule of 5 or fewer days
15 per week to street addresses under the authority of
16 the Postal Service under title 39, United States
17 Code, earlier than the date that is 24 months after
18 the date of enactment of this Act; and

19 (2) on or after the date that is 24 months after
20 the date of enactment of this Act, the Postal Service
21 may establish a general, nationwide 5-day-per-week
22 delivery schedule to street addresses under the au-
23 thority of the Postal Service under section 3691 of
24 title 39, United States Code, only in accordance with
25 the requirements and limitations under this section.

1 (b) PRECONDITIONS.—If the Postal Service intends
2 to establish a change in delivery schedule under subsection
3 (a)(2), the Postal Service shall—

4 (1) identify customers and communities for
5 whom the change may have a disproportionate, neg-
6 ative impact, including the customers identified as
7 “particularly affected” in the Advisory Opinion on
8 Elimination of Saturday Delivery issued by the Com-
9 mission on March 24, 2011;

10 (2) develop, to the maximum extent possible,
11 measures to ameliorate any disproportionate, nega-
12 tive impact the change would have on customers and
13 communities identified under paragraph (1), includ-
14 ing, where appropriate, providing or expanding ac-
15 cess to mailboxes for periodical mailers on days on
16 which the Postal Service does not provide delivery;

17 (3) implement measures to increase revenue
18 and reduce costs, including the measures authorized
19 under the amendments made by sections 101, 102,
20 103, 104, 205, and 209 of this Act;

21 (4) evaluate whether any increase in revenue or
22 reduction in costs resulting from the measures im-
23 plemented under paragraph (3) are sufficient to
24 allow the Postal Service, without implementing a

1 change in delivery schedule under subsection (a),
2 to—

3 (A) become profitable by fiscal year 2015;

4 and

5 (B) achieve long-term financial solvency;

6 and

7 (5) not earlier than 15 months after the date
8 of enactment of this Act and not later than 9
9 months before the effective date proposed by the
10 Postal Service for the change, submit a report on
11 the steps the Postal Service has taken to carry out
12 this subsection to—

13 (A) the Committee on Homeland Security
14 and Governmental Affairs of the Senate and the
15 Committee on Oversight and Government Re-
16 form of the House of Representatives;

17 (B) the Comptroller General of the United
18 States; and

19 (C) the Commission.

20 (c) REVIEW.—

21 (1) GOVERNMENT ACCOUNTABILITY OFFICE.—

22 Not later than 3 months after the date on which the
23 Postal Service submits a report under subsection
24 (b)(5), the Comptroller General shall submit to the
25 Commission and to the Committee on Homeland Se-

1 security and Governmental Affairs of the Senate and
2 the Committee on Oversight and Government Re-
3 form of the House of Representatives a report that
4 contains findings relating to each of the following:

5 (A) Whether the Postal Service has ade-
6 quately complied with subsection (b)(3), taking
7 into consideration the statutory authority of
8 and limitations on the Postal Service.

9 (B) The accuracy of any statement by the
10 Postal Service that the measures implemented
11 under subsection (b)(3) have increased revenues
12 or reduced costs, and the accuracy of any pro-
13 jection by the Postal Service relating to in-
14 creased revenue or reduced costs resulting from
15 the measures implemented under subsection
16 (b)(3).

17 (C) The adequacy and methodological
18 soundness of any evaluation conducted by the
19 Postal Service under subsection (b)(4) that led
20 the Postal Service to assert the necessity of a
21 change in delivery schedule under subsection
22 (a)(2).

23 (D) Whether, based on an analysis of the
24 measures implemented by the Postal Service to
25 increase revenues and reduce costs, projections

1 of increased revenue and cost savings, and the
2 details of the profitability plan required under
3 section 401, a change in delivery schedule is
4 necessary to allow the Postal Service to—

5 (i) become profitable by fiscal year
6 2015; and

7 (ii) achieve long-term financial sol-
8 vency.

9 (2) POSTAL REGULATORY COMMISSION.—

10 (A) REQUEST.—Not later than 6 months
11 before the proposed effective date of a change
12 in delivery schedule under subsection (a), the
13 Postal Service shall submit to the Commission
14 a request for an advisory opinion relating to the
15 change.

16 (B) ADVISORY OPINION.—

17 (i) IN GENERAL.—The Commission
18 shall—

19 (I) issue an advisory opinion with
20 respect to a request under subpara-
21 graph (A), in accordance with the
22 time limits for the issuance of advi-
23 sory opinions under section
24 3661(b)(2) of title 39, United States
25 Code, as amended by this Act; and

1 (II) submit the advisory opinion
2 to the Committee on Homeland Secu-
3 rity and Governmental Affairs of the
4 Senate and the Committee on Over-
5 sight and Government Reform of the
6 House of Representatives.

7 (ii) REQUIRED DETERMINATIONS.—
8 An advisory opinion under clause (i) shall
9 determine—

10 (I) whether the measures devel-
11 oped under subsection (b)(2) amelio-
12 rate any disproportionate, negative
13 impact that a change in schedule may
14 have on customers and communities
15 identified under subsection (b)(1); and

16 (II) based on the report sub-
17 mitted by the Comptroller General
18 under paragraph (1)—

19 (aa) whether the Postal
20 Service has implemented meas-
21 ures to reduce operating losses as
22 required under subsection (b)(3);

23 (bb) whether the implemen-
24 tation of the measures described
25 in item (aa) has increased reve-

1 nues or reduced costs, or is pro-
2 jected to further increase reve-
3 nues or reduce costs in the fu-
4 ture; and

5 (cc) whether a change in
6 schedule under subsection (a)(2)
7 is necessary to allow the Postal
8 Service to—

9 (AA) become profitable
10 by fiscal year 2015; and

11 (BB) achieve long-term
12 financial solvency.

13 (3) PROHIBITION ON IMPLEMENTATION OF
14 CHANGE IN SCHEDULE.—The Postal Service may
15 not implement a change in delivery schedule under
16 subsection (a)(2)—

17 (A) before the date on which the Comp-
18 troller General submits the report required
19 under paragraph (1); and

20 (B) unless the Commission determines
21 under paragraph (2)(B)(ii)(II)(cc) that the
22 Comptroller General has concluded that the
23 change is necessary to allow the Postal Service
24 to become profitable by fiscal year 2015 and to
25 achieve long-term financial solvency, without re-

1 gard to whether the Commission determines
2 that the change is advisable.

3 (d) ADDITIONAL LIMITATIONS.—

4 (1) RULES OF CONSTRUCTION.—Nothing in
5 this subsection shall be construed to—

6 (A) authorize the reduction, or require an
7 increase, in delivery frequency for any route for
8 which the Postal Service provided delivery on
9 fewer than 6 days per week on the date of en-
10 actment of this Act;

11 (B) authorize any change in—

12 (i) the days and times that postal re-
13 tail service or any mail acceptance is avail-
14 able at postal retail facilities or processing
15 facilities; or

16 (ii) the locations at which postal retail
17 service or mail acceptance occurs at postal
18 retail facilities or processing facilities;

19 (C) authorize any change in the frequency
20 of delivery to a post office box;

21 (D) prohibit the collection or delivery of a
22 competitive mail product on a weekend, a recog-
23 nized Federal holiday, or any other specific day
24 of the week; or

1 (E) prohibit the Postal Service from exer-
2 cising its authority to make changes to proc-
3 essing or retail networks.

4 (2) PROHIBITION ON CONSECUTIVE DAYS WITH-
5 OUT MAIL DELIVERY.—The Postal Service shall en-
6 sure that, under any change in schedule under sub-
7 section (a)(2), at no time shall there be more than
8 2 consecutive days without mail delivery to street
9 addresses, including recognized Federal holidays.

10 **SEC. 207. TIME LIMITS FOR CONSIDERATION OF SERVICE**
11 **CHANGES.**

12 Section 3661 of title 39, United States Code, is
13 amended by striking subsections (b) and (c) and inserting
14 the following:

15 “(b) PROPOSED CHANGES FOR MARKET-DOMINANT
16 PRODUCTS.—

17 “(1) SUBMISSION OF PROPOSAL.—If the Postal
18 Service determines that there should be a change in
19 the nature of postal services relating to market-dom-
20 inant products that will generally affect service on a
21 nationwide or substantially nationwide basis, the
22 Postal Service shall submit a proposal to the Postal
23 Regulatory Commission requesting an advisory opin-
24 ion on the change.

1 “(2) ADVISORY OPINION.—Upon receipt of a
2 proposal under paragraph (1), the Postal Regulatory
3 Commission shall—

4 “(A) provide an opportunity for public
5 comment on the proposal; and

6 “(B) issue an advisory opinion not later
7 than—

8 “(i) 90 days after the date on which
9 the Postal Regulatory Commission receives
10 the proposal; or

11 “(ii) a date that the Postal Regu-
12 latory Commission and the Postal Service
13 may, not later than 1 week after the date
14 on which the Postal Regulatory Commis-
15 sion receives the proposal, determine joint-
16 ly.

17 “(3) RESPONSE TO OPINION.—The Postal Serv-
18 ice shall submit to the President and to Congress a
19 response to the advisory opinion issued under para-
20 graph (2), including any recommendations contained
21 therein.

22 “(4) ACTION ON PROPOSAL.—The Postal Serv-
23 ice may take action regarding a proposal submitted
24 under paragraph (1)—

1 “(A) on or after the date that is 30 days
2 after the date on which the Postal Service sub-
3 mits the response required under paragraph
4 (3);

5 “(B) on or after a date that the Postal
6 Regulatory Commission and the Postal Service
7 may, not later than 1 week after the date on
8 which the Postal Regulatory Commission re-
9 ceives a proposal under paragraph (2), deter-
10 mine jointly; or

11 “(C) after the date described in paragraph
12 (2)(B), if—

13 “(i) the Postal Regulatory Commis-
14 sion fails to issue an advisory opinion on
15 or before the date described in paragraph
16 (2)(B); and

17 “(ii) the action is not otherwise pro-
18 hibited under Federal law.

19 “(5) MODIFICATION OF TIMELINE.—At any
20 time, the Postal Service and the Postal Regulatory
21 Commission may jointly redetermine a date deter-
22 mined under paragraph (2)(B)(ii) or (4)(B).”.

1 **SEC. 208. PUBLIC PROCEDURES FOR SIGNIFICANT**
2 **CHANGES TO MAILING SPECIFICATIONS.**

3 (a) NOTICE AND OPPORTUNITY FOR COMMENT RE-
4 QUIRED.—Effective on the date on which the Postal Serv-
5 ice issues a final rule under subsection (c), before making
6 a change to mailing specifications that could pose a sig-
7 nificant burden to the customers of the Postal Service and
8 that is not reviewed by the Commission, the Postal Service
9 shall—

10 (1) publish a notice of the proposed change to
11 the specification in the Federal Register;

12 (2) provide an opportunity for the submission
13 of written comments concerning the proposed change
14 for a period of not less than 30 days;

15 (3) after considering any comments submitted
16 under paragraph (2) and making any modifications
17 to the proposed change that the Postal Service de-
18 termines are necessary, publish—

19 (A) the final change to the specification in
20 the Federal Register;

21 (B) responses to any comments submitted
22 under paragraph (2); and

23 (C) an analysis of the financial impact that
24 the proposed change would have on—

25 (i) the Postal Service; and

1 (ii) the customers of the Postal Serv-
2 ice that would be affected by the proposed
3 change; and

4 (4) establish an effective date for the change to
5 mailing specifications that is not earlier than 30
6 days after the date on which the Postal Service pub-
7 lishes the final change under paragraph (3).

8 (b) EXCEPTION FOR GOOD CAUSE.—If the Postal
9 Service determines that there is an urgent and compelling
10 need for a change to a mailing specification described in
11 subsection (a) in order to avoid demonstrable harm to the
12 operations of the Postal Service or to the public interest,
13 the Postal Service may—

14 (1) change the mailing specifications by—

15 (A) issuing an interim final rule that—

16 (i) includes a finding by the Postal
17 Service that there is good cause for the in-
18 terim final rule;

19 (ii) provides an opportunity for the
20 submission of written comments on the in-
21 terim final rule for a period of not less
22 than 30 days; and

23 (iii) establishes an effective date for
24 the interim final rule that is not earlier

1 than 30 days after the date on which the
2 interim final rule is issued; and

3 (B) publishing in the Federal Register a
4 response to any comments submitted under
5 subparagraph (A)(ii); and

6 (2) waive the requirement under paragraph
7 (1)(A)(iii) or subsection (a)(4).

8 (c) RULES RELATING TO NOTICE AND COMMENT.—

9 (1) IN GENERAL.—Not later than 180 days
10 after the date of enactment of this Act, the Postal
11 Service shall issue rules governing the provision of
12 notice and opportunity for comment for changes in
13 mailing specifications under subsection (a).

14 (2) RULES.—In issuing the rules required
15 under paragraph (1), the Postal Service shall—

16 (A) publish a notice of proposed rule-
17 making in the Federal Register that includes
18 proposed definitions of the terms “mailing spec-
19 ifications” and “significant burden”;

20 (B) provide an opportunity for the submis-
21 sion of written comments concerning the pro-
22 posed change for a period of not less than 30
23 days; and

24 (C) publish—

- 1 (i) the rule in final form in the Fed-
2 eral Register; and
3 (ii) responses to the comments sub-
4 mitted under subparagraph (B).

5 **SEC. 209. NONPOSTAL PRODUCTS AND SERVICES.**

6 (a) IN GENERAL.—Section 404 of title 39, United
7 States Code, is amended—

8 (1) in subsection (a)—

9 (A) by redesignating paragraphs (6)
10 through (8) as paragraphs (7) through (9), re-
11 spectively; and

12 (B) by inserting after paragraph (5) the
13 following:

14 “(6) after the date of enactment of the 21st
15 Century Postal Service Act of 2011, and except as
16 provided in subsection (e), to provide other services
17 that are not postal services, after the Postal Regu-
18 latory Commission—

19 “(A) makes a determination that the provi-
20 sion of such services—

21 “(i) uses the processing, transpor-
22 tation, delivery, retail network, or tech-
23 nology of the Postal Service;

1 “(ii) is consistent with the public in-
2 terest and a demonstrated or potential
3 public demand for—

4 “(I) the Postal Service to provide
5 the services instead of another entity
6 providing the services; or

7 “(II) the Postal Service to pro-
8 vide the services in addition to an-
9 other entity providing the services;

10 “(iii) would not create unfair competi-
11 tion with the private sector; and

12 “(iv) has the potential to improve the
13 net financial position of the Postal Service,
14 based on a market analysis provided to the
15 Postal Regulatory Commission by the
16 Postal Service; and

17 “(B) for services that the Postal Regu-
18 latory Commission determines meet the criteria
19 under subparagraph (A), classifies each such
20 service as a market-dominant product, competi-
21 tive product, or experimental product, as re-
22 quired under chapter 36 of title 39, United
23 States Code;” and

1 (2) in subsection (e)(2), by striking “Nothing”
2 and all that follows through “except that the” and
3 inserting “The”.

4 (b) MARKET ANALYSIS.—During the 5-year period
5 beginning on the date of enactment of this Act, the Postal
6 Service shall submit a copy of any market analysis pro-
7 vided to the Commission under section 404(a)(6)(A)(iv)
8 of title 39, United States Code, as amended by this sec-
9 tion, to the Committee on Homeland Security and Govern-
10 mental Affairs of the Senate and the Committee on Over-
11 sight and Government Reform of the House of Represent-
12 atives.

13 **TITLE III—FEDERAL EMPLOY-** 14 **EES’ COMPENSATION ACT**

15 **SEC. 301. SHORT TITLE; REFERENCES.**

16 (a) SHORT TITLE.—This title may be cited as the
17 “Workers’ Compensation Reform Act of 2011”.

18 (b) REFERENCES.—Except as otherwise expressly
19 provided, whenever in this title an amendment or repeal
20 is expressed in terms of an amendment to, or a repeal
21 of, a section or other provision, the reference shall be con-
22 sidered to be made to a section or other provision of title
23 5, United States Code.

1 **SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS**
2 **FOR RETIREMENT-AGE EMPLOYEES.**

3 (a) CONVERSION OF ENTITLEMENT AT RETIREMENT
4 AGE.—

5 (1) DEFINITIONS.—Section 8101 is amended

6 (A) in paragraph (18), by striking “and”
7 at the end;

8 (B) in paragraph (19), by striking “and”
9 at the end;

10 (C) in paragraph (20), by striking the pe-
11 riod at the end and inserting a semicolon; and

12 (D) by adding at the end the following:

13 “(21) ‘retirement age’ has the meaning given
14 that term under section 216(l)(1) of the Social Secu-
15 rity Act (42 U.S.C. 416(l)(1));

16 “(22) ‘covered claim for total disability’ means
17 a claim for a period of total disability that com-
18 menced before the date of enactment of the Work-
19 ers’ Compensation Reform Act of 2011;

20 “(23) ‘covered claim for partial disability’
21 means a claim for a period of partial disability that
22 commenced before the date of enactment of the
23 Workers’ Compensation Reform Act of 2011; and

24 “(24) ‘individual who has an exempt disability
25 condition’ means an individual—

26 “(A) who—

1 “(i) is eligible to receive continuous
2 periodic compensation for total disability
3 under section 8105 on the date of enact-
4 ment of the Workers’ Compensation Re-
5 form Act of 2011; and

6 “(ii) meets the criteria under 8105(c);

7 “(B) who, on the date of enactment of the
8 Workers’ Compensation Reform Act of 2011—

9 “(i) is eligible to receive continuous
10 periodic compensation for total disability
11 under section 8105; and

12 “(ii) has sustained a currently irre-
13 versible severe mental or physical disability
14 for which the Secretary of Labor has au-
15 thorized, for at least the 1 year period end-
16 ing on the date of enactment of the Work-
17 ers’ Compensation Reform Act of 2011,
18 constant in-home care or custodial care,
19 such as in placement in a nursing home; or

20 “(C) who is eligible to receive continuous
21 periodic compensation for total disability under
22 section 8105—

23 “(i) for not less than the 3-year pe-
24 riod ending on the date of enactment of

1 the Workers' Compensation Reform Act of
2 2011; or

3 “(ii) if the individual became eligible
4 to receive continuous periodic compensa-
5 tion for total disability under section 8105
6 during the period beginning on the date
7 that is 3 years before the date of enact-
8 ment of the Workers' Compensation Re-
9 form Act of 2011 and ending on such date
10 of enactment, for not less than the 3-year
11 period beginning on the date on which the
12 individual became eligible.”.

13 (2) TOTAL DISABILITY.—Section 8105 is
14 amended—

15 (A) in subsection (a), by striking “If” and
16 inserting “IN GENERAL.—Subject to subsection
17 (b), if”;

18 (B) by redesignating subsection (b) as sub-
19 section (c); and

20 (C) by inserting after subsection (a) the
21 following:

22 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
23 MENT AGE.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (2), the basic compensation for total disability

1 for an employee who has attained retirement age
2 shall be 50 percent of the monthly pay of the em-
3 ployee.

4 “(2) EXCEPTIONS.—

5 “(A) COVERED RECIPIENTS WHO ARE RE-
6 TIREMENT AGE OR HAVE AN EXEMPT DIS-
7 ABILITY CONDITION.—Paragraph (1) shall not
8 apply to a covered claim for total disability by
9 an employee if the employee—

10 “(i) on the date of enactment of the
11 Workers’ Compensation Reform Act of
12 2011, has attained retirement age; or

13 “(ii) is an individual who has an ex-
14 empt disability condition.

15 “(B) TRANSITION PERIOD FOR CERTAIN
16 EMPLOYEES.—For a covered claim for total dis-
17 ability by an employee who is not an employee
18 described in subparagraph (A), the employee
19 shall receive the basic compensation for total
20 disability provided under subsection (a) until
21 the later of—

22 “(i) the date on which the employee
23 attains retirement age; and

1 “(ii) the date that is 3 years after the
2 date of enactment of the Workers’ Com-
3 pensation Reform Act of 2011.”.

4 (3) PARTIAL DISABILITY.—Section 8106 is
5 amended—

6 (A) in subsection (a), by striking “If” and
7 inserting “IN GENERAL.—Subject to subsection
8 (b), if”;

9 (B) by redesignating subsections (b) and
10 (c) as subsections (c) and (d), respectively; and

11 (C) by inserting after subsection (a) the
12 following:

13 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
14 MENT AGE.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), the basic compensation for partial dis-
17 ability for an employee who has attained retirement
18 age shall be 50 percent of the difference between the
19 monthly pay of the employee and the monthly wage-
20 earning capacity of the employee after the beginning
21 of the partial disability.

22 “(2) EXCEPTIONS.—

23 “(A) COVERED RECIPIENTS WHO ARE RE-
24 TIREMENT AGE.—Paragraph (1) shall not apply
25 to a covered claim for partial disability by an

1 employee if, on the date of enactment of the
2 Workers' Compensation Reform Act of 2011,
3 the employee has attained retirement age.

4 “(B) TRANSITION PERIOD FOR CERTAIN
5 EMPLOYEES.—For a covered claim for partial
6 disability by an employee who is not an em-
7 ployee described in subparagraph (A), the em-
8 ployee shall receive basic compensation for par-
9 tial disability in accordance with subsection (a)
10 until the later of—

11 “(i) the date on which the employee
12 attains retirement age; and

13 “(ii) the date that is 3 years after the
14 date of enactment of the Workers' Com-
15 pensation Reform Act of 2011.”.

16 **SEC. 303. AUGMENTED COMPENSATION FOR DEPENDENTS.**

17 (a) IN GENERAL.—Section 8110 is amended—

18 (1) by redesignating subsection (b) as sub-
19 section (c); and

20 (2) by inserting after subsection (a) the fol-
21 lowing:

22 “(b) TERMINATION OF AUGMENTED COMPENSA-
23 TION.—

1 “(1) IN GENERAL.—Subject to paragraph (2),
2 augmented compensation for dependants under sub-
3 section (c) shall not be provided.

4 “(2) EXCEPTIONS.—

5 “(A) TOTAL DISABILITY.—For a covered
6 claim for total disability by an employee—

7 “(i) the employee shall receive aug-
8 mented compensation under subsection (c)
9 if the employee is an individual who has an
10 exempt disability condition; and

11 “(ii) the employee shall receive aug-
12 mented compensation under subsection (c)
13 until the date that is 3 years after the date
14 of enactment of the Workers’ Compensa-
15 tion Reform Act of 2011 if the employee is
16 not an employee described in clause (i).

17 “(B) PARTIAL DISABILITY.—For a covered
18 claim for partial disability by an employee, the
19 employee shall receive augmented compensation
20 under subsection (c) until the date that is 3
21 years after the date of enactment of the Work-
22 ers’ Compensation Reform Act of 2011.

23 “(C) PERMANENT DISABILITY COM-
24 PENSATED BY A SCHEDULE.—For a claim for a
25 permanent disability described in section

1 8107(a) by an employee that commenced before
2 the date of enactment of the Workers' Com-
3 pensation Reform Act of 2011, the employee
4 shall receive augmented compensation under
5 subsection (c).”.

6 (b) MAXIMUM AND MINIMUM MONTHLY PAY-
7 MENTS.—Section 8112 is amended—

8 (1) in subsection (a)—

9 (A) by inserting “subsections (b) and (c)
10 and” before “section 8138”;

11 (B) by striking “including augmented com-
12 pensation under section 8110 of this title but”;
13 and

14 (C) by striking “75 percent” each place it
15 appears and inserting “66 $\frac{2}{3}$ percent”;

16 (2) by redesignating subsection (b) as sub-
17 section (c);

18 (3) by inserting after subsection (a) the fol-
19 lowing:

20 “(b) EXCEPTIONS.—

21 “(1) COVERED DISABILITY CONDITION.—For a
22 covered claim for total disability by an employee, if
23 the employee is an individual who has an exempt
24 disability condition—

1 “(A) the monthly rate of compensation for
2 disability that is subject to the maximum and
3 minimum monthly amounts under subsection
4 (a) shall include any augmented compensation
5 under section 8110; and

6 “(B) subsection (a) shall be applied by
7 substituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’
8 each place it appears.

9 “(2) PARTIAL DISABILITY.—For a covered
10 claim for partial disability by an employee, until the
11 date that is 3 years after the date of enactment of
12 the Workers’ Compensation Reform Act of 2011—

13 “(A) the monthly rate of compensation for
14 disability that is subject to the maximum and
15 minimum monthly amounts under subsection
16 (a) shall include any augmented compensation
17 under section 8110; and

18 “(B) subsection (a) shall be applied by
19 substituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’
20 each place it appears.”; and

21 (4) in subsection (c), as redesignated by para-
22 graph (2), by striking “subsection (a)” and inserting
23 “subsections (a) and (b)”.

24 (c) DEATH BENEFITS GENERALLY.—Section 8133 is
25 amended—

1 (1) in subsections (a) and (e), by striking “75
2 percent” each place it appears and inserting “66 $\frac{2}{3}$
3 percent (except as provided in subsection (g))”; and

4 (2) by adding at the end the following:

5 “(g) If the death occurred before the date of enact-
6 ment of the Workers’ Compensation Reform Act of 2011,
7 subsections (a) and (e) shall be applied by substituting
8 ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’ each place it appears.”.

9 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-
10 UNTEERS.—Section 8141 is amended—

11 (1) in subsection (b)(2)(B) by striking “75 per-
12 cent” and inserting “66 $\frac{2}{3}$ percent (except as pro-
13 vided in subsection (c))”;

14 (2) by redesignating subsection (c) as sub-
15 section (d); and

16 (3) by inserting after subsection (b) the fol-
17 lowing:

18 “(c) If the death occurred before the date of enact-
19 ment of the Workers’ Compensation Reform Act of 2011,
20 subsection (b)(2)(B) shall be applied by substituting ‘75
21 percent’ for ‘66 $\frac{2}{3}$ percent’.”.

22 **SEC. 304. SCHEDULE COMPENSATION PAYMENTS.**

23 Section 8107 is amended—

1 (1) in subsection (a), by striking “at the rate
2 of 66 2/3 percent of his monthly pay” and inserting
3 “at the rate specified under subsection (d)”; and

4 (2) by adding at the end the following:

5 “(d) RATE FOR COMPENSATION.—

6 “(1) ANNUAL SALARY.—

7 “(A) IN GENERAL.—Except as provided in
8 paragraph (2), the rate under subsection (a)
9 shall be the rate of 66 2/3 percent of the annual
10 salary level established under subparagraph
11 (B), in a lump sum equal to the present value
12 (as calculated under subparagraph (C)) of the
13 amount of compensation payable under the
14 schedule.

15 “(B) ESTABLISHMENT.—

16 “(i) IN GENERAL.—The Secretary of
17 Labor shall establish an annual salary for
18 purposes of subparagraph (A) in the
19 amount the Secretary determines will re-
20 sult in the aggregate cost of payments
21 made under this section being equal to
22 what would have been the aggregate cost
23 of payments under this section if the
24 amendments made by section 304(a) of the

1 Workers' Compensation Reform Act of
2 2011 had not been enacted.

3 “(ii) COST OF LIVING ADJUSTMENT.—

4 The annual salary established under clause
5 (i) shall be increased on March 1 of each
6 year by the amount determined by the Sec-
7 retary of Labor to represent the percent
8 change in the price index published for De-
9 cember of the preceding year over the price
10 index published for the December of the
11 year prior to the preceding year, adjusted
12 to the nearest one-tenth of 1 percent.

13 “(C) PRESENT VALUE.—The Secretary of
14 Labor shall calculate the present value for pur-
15 poses of subparagraph (A) using a rate of inter-
16 est equal to the average market yield for out-
17 standing marketable obligations of the United
18 States with a maturity of 2 years on the first
19 business day of the month in which the com-
20 pensation is paid or, in the event that such
21 marketable obligations are not being issued on
22 such date, at an equivalent rate selected by the
23 Secretary of Labor, true discount compounded
24 annually.

1 “(2) CERTAIN INJURIES.—For an injury that
2 occurred before the date of enactment of the Work-
3 ers’ Compensation Reform Act of 2011, the rate
4 under subsection (a) shall be 66 $\frac{2}{3}$ percent of the
5 employee’s monthly pay.

6 “(e) SIMULTANEOUS RECEIPT.—

7 “(1) TOTAL DISABILITY.—An employee who re-
8 ceives compensation for total disability under section
9 8105 may only receive the lump sum of schedule
10 compensation under this section in addition to and
11 simultaneously with the benefits for total disability
12 after the later of—

13 “(A) the date on which the basic com-
14 pensation for total disability of the employee be-
15 comes 50 percent of the monthly pay of the em-
16 ployee under section 8105(b); or

17 “(B) the date on which augmented com-
18 pensation of the employee terminates under sec-
19 tion 8110(b)(2)(A)(ii), if the employee receives
20 such compensation.

21 “(2) PARTIAL DISABILITY.—An employee who
22 receives benefits for partial disability under section
23 8106 may only receive the lump sum of schedule
24 compensation under this section in addition to and

1 simultaneously with the benefits for partial disability
2 after the later of—

3 “(A) the date on which the basic com-
4 pensation for partial disability of the employee
5 becomes 50 percent of the difference between
6 the monthly pay of the employee and the
7 monthly wage-earning capacity of the employee
8 after the beginning of the partial disability
9 under section 8106(b); or

10 “(B) the date on which augmented com-
11 pensation of the employee terminates under sec-
12 tion 8110(b)(2)(B), if the employee receives
13 such compensation.”.

14 **SEC. 305. VOCATIONAL REHABILITATION.**

15 (a) IN GENERAL.—Section 8104 is amended—

16 (1) in subsection (a)—

17 (A) by striking “(a) The Secretary of
18 Labor may” and all that follows through “un-
19 dergo vocational rehabilitation.” and inserting
20 the following:

21 “(a) IN GENERAL.—

22 “(1) DIRECTION.—Except as provided in para-
23 graph (2), not earlier than the date that is 6 months
24 after the date on which an individual eligible for
25 wage-loss compensation under section 8105 or 8106

1 is injured, or by such other date as the Secretary of
2 Labor determines it would be reasonable under the
3 circumstances for the individual to begin vocational
4 rehabilitation, and if vocational rehabilitation may
5 enable the individual to become capable of more
6 gainful employment, the Secretary of Labor shall di-
7 rect the individual to participate in developing a
8 comprehensive return to work plan and to undergo
9 vocational rehabilitation at a location a reasonable
10 distance from the residence of the individual.”;

11 (B) by striking “the Secretary of Health,
12 Education, and Welfare in carrying out the pur-
13 poses of chapter 4 of title 29” and inserting
14 “the Secretary of Education in carrying out the
15 purposes of the Rehabilitation Act of 1973 (29
16 U.S.C. 701 et seq.)”;

17 (C) by striking “under section 32(b)(1) of
18 title 29” and inserting “under section 5 of the
19 Rehabilitation Act of 1973 (29 U.S.C. 704)”;
20 and

21 (D) by adding at the end the following:

22 “(2) EXCEPTION.—The Secretary of Labor may
23 not direct an individual who has attained retirement
24 age to participate in developing a comprehensive re-

1 turn to work plan or to undergo vocational rehabili-
2 tation.”;

3 (2) by redesignating subsection (b) as sub-
4 section (c);

5 (3) by inserting after subsection (a) the fol-
6 lowing:

7 “(b) CONTENTS OF RETURN TO WORK PLAN.—A re-
8 turn to work plan developed under subsection (a)—

9 “(1) shall—

10 “(A) set forth specific measures designed
11 to increase the wage-earning capacity of an in-
12 dividual;

13 “(B) take into account the prior training
14 and education of the individual and the train-
15 ing, educational, and employment opportunities
16 reasonably available to the individual; and

17 “(C) provide that any employment under-
18 taken by the individual under the return to
19 work plan be at a location a reasonable distance
20 from the residence of the individual;

21 “(2) may provide that the Secretary will pay
22 out of amounts in the Employees’ Compensation
23 Fund reasonable expenses of vocational rehabilita-
24 tion (which may include tuition, books, training fees,

1 supplies, equipment, and child or dependent care)
2 during the course of the plan; and

3 “(3) may not be for a period of more than 2
4 years, unless the Secretary finds good cause to grant
5 an extension, which may be for not more than 2
6 years.”;

7 (4) in subsection (c), as so redesignated—

8 (A) by inserting “COMPENSATION.—” be-
9 fore “Notwithstanding”; and

10 (B) by striking “, other than employment
11 undertaken pursuant to such rehabilitation”;
12 and

13 (5) by adding at the end the following:

14 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

15 “(1) IN GENERAL.—The Secretary may enter
16 into an assisted reemployment agreement with an
17 agency or instrumentality of any branch of the Fed-
18 eral Government or a State or local government or
19 a private employer that employs an individual eligi-
20 ble for wage-loss compensation under section 8105
21 or 8106 to enable the individual to return to produc-
22 tive employment.

23 “(2) CONTENTS.—An assisted reemployment
24 agreement under paragraph (1)—

1 “(A) may provide that the Secretary will
2 use amounts in the Employees’ Compensation
3 Fund to reimburse an employer in an amount
4 equal to not more than 100 percent of the com-
5 pensation the individual would otherwise receive
6 under section 8105 or 8106; and

7 “(B) may not be for a period of more than
8 3 years.

9 “(e) LIST.—To facilitate the hiring of individuals eli-
10 gible for wage-loss compensation under section 8105 or
11 8106, the Secretary shall provide a list of such individuals
12 to the Office of Personnel Management, which the Office
13 of Personnel Management shall provide to all agencies and
14 instrumentalities of the Federal Government.”.

15 (b) EMPLOYEES’ COMPENSATION FUND.—Section
16 8147 is amended by adding at the end:

17 “(d) Notwithstanding subsection (b), any benefits or
18 other payments paid to or on behalf of an employee under
19 this subchapter or any extension or application thereof for
20 a recurrence of injury, consequential injury, aggravation
21 of injury, or increase in percentage of impairment to a
22 member for which compensation is provided under the
23 schedule under section 8107 suffered in a permanent posi-
24 tion with an agency or instrumentality of the United
25 States while the employment with the agency or instru-

1 mentality is covered under an assisted reemployment
2 agreement entered into under section 8104(d) shall not
3 be included in total cost of benefits and other payments
4 in the statement provided to the agency or instrumentality
5 under subsection (b) if the injury was originally incurred
6 in a position not covered by an assisted reemployment
7 agreement.”.

8 (c) TERMINATION OF VOCATIONAL REHABILITATION
9 REQUIREMENT AFTER RETIREMENT AGE.—Section
10 8113(b) is amended by adding at the end the following:
11 “An individual who has attained retirement age may not
12 be required to undergo vocational rehabilitation.”.

13 (d) MANDATORY BENEFIT REDUCTION FOR NON-
14 COMPLIANCE.—Section 8113(b) is amended by striking
15 “may reduce” and inserting “shall reduce”.

16 (e) TECHNICAL AND CONFORMING AMENDMENTS.—
17 (1) IN GENERAL.—Subchapter III of chapter
18 15 of title 31, United States Code, is amended by
19 adding at the end the following:

20 **“§ 1538. Authorization for assisted reemployment**

21 “Funds may be transferred from the Employees’
22 Compensation Fund established under section 8147 of
23 title 5 to the applicable appropriations account for an
24 agency or instrumentality of any branch of the Federal
25 Government for the purposes of reimbursing the agency

1 or instrumentality in accordance with an assisted reem-
2 ployment agreement entered into under section 8104 of
3 title 5.”.

4 (2) TABLE OF SECTIONS.—The table of sections
5 for chapter 15 of title 31, United States Code, is
6 amended by inserting after the item relating to sec-
7 tion 1537 the following:

“1538. Authorization for assisted reemployment.”.

8 **SEC. 306. REPORTING REQUIREMENTS.**

9 (a) IN GENERAL.—Chapter 81 is amended by insert-
10 ing after section 8106 the following:

11 **“§ 8106a. Reporting requirements**

12 “(a) DEFINITION.—In this section, the term ‘em-
13 ployee receiving compensation’ means an employee who—

14 “(1) is paid compensation under section 8105
15 or 8106; and

16 “(2) has not attained retirement age.

17 “(b) AUTHORITY.—The Secretary of Labor shall re-
18 quire an employee receiving compensation to report the
19 earnings of the employee receiving compensation from em-
20 ployment or self-employment, by affidavit or otherwise, in
21 the manner and at the times the Secretary specifies.

22 “(c) CONTENTS.—An employee receiving compensa-
23 tion shall include in a report required under subsection
24 (a) the value of housing, board, lodging, and other advan-
25 tages which are part of the earnings of the employee re-

1 ceiving compensation in employment or self-employment
2 and the value of which can be estimated.

3 “(d) FAILURE TO REPORT AND FALSE REPORTS.—

4 “(1) IN GENERAL.—An employee receiving com-
5 pensation who fails to make an affidavit or other re-
6 port required under subsection (b) or who knowingly
7 omits or understates any part of the earnings of the
8 employee in such an affidavit or other report shall
9 forfeit the right to compensation with respect to any
10 period for which the report was required.

11 “(2) FORFEITED COMPENSATION.—Compensa-
12 tion forfeited under this subsection, if already paid
13 to the employee receiving compensation, shall be re-
14 covered by a deduction from the compensation pay-
15 able to the employee or otherwise recovered under
16 section 8129, unless recovery is waived under that
17 section.”.

18 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

19 The table of sections for chapter 81 is amended by insert-
20 ing after the item relating to section 8106 the following:

“8106a. Reporting requirements.”.

21 **SEC. 307. DISABILITY MANAGEMENT REVIEW; INDE-**
22 **PENDENT MEDICAL EXAMINATIONS.**

23 Section 8123 is amended by adding at the end the
24 following:

25 “(e) DISABILITY MANAGEMENT REVIEW.—

1 “(1) DEFINITIONS.—In this subsection—

2 “(A) the term ‘covered employee’ means an
3 employee who is in continuous receipt of com-
4 pensation for total disability under section 8105
5 for a period of not less than 6 months; and

6 “(B) the term ‘disability management re-
7 view process’ means the disability management
8 review process established under paragraph
9 (2)(A).

10 “(2) ESTABLISHMENT.—The Secretary of
11 Labor shall—

12 “(A) establish a disability management re-
13 view process for the purpose of certifying and
14 monitoring the disability status and extent of
15 injury of each covered employee; and

16 “(B) promulgate regulations for the ad-
17 ministration of the disability management re-
18 view process.

19 “(3) PHYSICAL EXAMINATIONS REQUIRED.—

20 Under the disability management review process, the
21 Secretary of Labor shall periodically require covered
22 employees to submit to physical examinations under
23 subsection (a) by physicians selected by the Sec-
24 retary. A physician conducting a physical examina-
25 tion of a covered employee shall submit to the Sec-

1 retary a report regarding the nature and extent of
2 the injury to and disability of the covered employee.

3 “(4) FREQUENCY.—

4 “(A) IN GENERAL.—The regulations pro-
5 mulgated under paragraph (2)(B) shall specify
6 the process and criteria for determining when
7 and how frequently a physical examination
8 should be conducted for a covered employee.

9 “(B) MINIMUM FREQUENCY.—

10 “(i) INITIAL.—An initial physical ex-
11 amination shall be conducted not more
12 than a brief period after the date on which
13 a covered employee has been in continuous
14 receipt of compensation for total disability
15 under section 8015 for 6 months.

16 “(ii) SUBSEQUENT EXAMINATIONS.—
17 After the initial physical examination,
18 physical examinations of a covered em-
19 ployee shall be conducted not less than
20 once every 3 years.

21 “(5) EMPLOYING AGENCY OR INSTRUMEN-
22 TALITY REQUESTS.—

23 “(A) IN GENERAL.—The agency or instru-
24 mentality employing an employee who has made
25 a claim for compensation for total disability

1 under section 8105 may at any time submit a
2 request for the Secretary of Labor to promptly
3 require the employee to submit to a physical ex-
4 amination under this subsection.

5 “(B) REQUESTING OFFICER.—A request
6 under subparagraph (A) shall be made on be-
7 half of an agency or instrumentality by—

8 “(i) the head of the agency or instru-
9 mentality;

10 “(ii) the Chief Human Capital Officer
11 of the agency or instrumentality; or

12 “(iii) if the agency or instrumentality
13 does not have a Chief Human Capital Offi-
14 cer, an officer with responsibilities similar
15 to those of a Chief Human Capital Officer
16 designated by the head of the agency or in-
17 strumentality to make requests under this
18 paragraph.

19 “(C) INFORMATION.—A request under sub-
20 paragraph (A) shall be in writing and accom-
21 panied by—

22 “(i) a certification by the officer mak-
23 ing the request that the officer has re-
24 viewed the relevant material in the employ-
25 ee’s file;

1 “(ii) an explanation of why the officer
2 has determined, based on the materials in
3 the file and other information known to
4 the officer, that requiring a physical exam-
5 ination of the employee under this sub-
6 section is necessary; and

7 “(iii) copies of the materials relating
8 to the employee that are relevant to the of-
9 ficer’s determination and request, unless
10 the agency or instrumentality has a rea-
11 sonable basis for not providing the mate-
12 rials.

13 “(D) EXAMINATION.—If the Secretary of
14 Labor receives a request under this paragraph
15 before an employee has undergone an initial
16 physical examination under paragraph
17 (4)(B)(i), the Secretary shall promptly require
18 the physical examination of the employee. A
19 physical examination under this subparagraph
20 shall satisfy the requirement under paragraph
21 (4)(B)(i) that an initial physical examination be
22 conducted.

23 “(E) AFTER INITIAL EXAMINATION.—

24 “(i) IN GENERAL.—If the Secretary of
25 Labor receives a request under this para-

graph after an employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall—

“(I) review the request and the information, explanation, and other materials submitted with the request; and

“(II) determine whether to require the physical examination of the employee who is the subject of the request.

“(ii) NOT GRANTED.—If the Secretary determines not to grant a request described in clause (i), the Secretary shall promptly notify the officer who made the request and provide an explanation of the reasons why the request was denied.”.

SEC. 308. WAITING PERIOD.

(a) IN GENERAL.—Section 8117 is amended—

(1) in the section heading, by striking “**Time of accrual of right**” and inserting “**Waiting period**”;

(2) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “An employee” and all that follows

1 through “is not entitled” and inserting “IN
2 GENERAL.—An employee is not entitled to con-
3 tinuation of pay within the meaning of section
4 8118 for the first 3 days of temporary disability
5 or, if section 8118 does not apply, is not enti-
6 tled”;

7 (B) in paragraph (1), by adding “or” at
8 the end;

9 (C) by striking paragraph (2); and

10 (D) by redesignating paragraph (3) as
11 paragraph (2); and
12 (3) in subsection (b)—

13 (A) by striking “A Postal Service” the first
14 place it appears and all that follows through “A
15 Postal Service” the second place it appears and
16 inserting “USE OF LEAVE.—An”;

17 (B) by striking “that 3-day period” and in-
18 serting “the first 3 days of temporary dis-
19 ability”; and

20 (C) by striking “or is followed by perma-
21 nent disability”.

22 (b) CONTINUATION OF PAY.—Section 8118 is amend-
23 ed—

24 (1) in the section heading, by striking “; elec-
25 tion to use annual or sick leave”;

1 (2) in subsection (b)(1), by striking “section
2 8117(b)” and inserting “section 8117”;
3 (3) by striking subsection (c); and
4 (4) by redesignating subsections (d) and (e) as
5 subsections (c) and (d), respectively.

6 (c) **TECHNICAL AND CONFORMING AMENDMENTS.—**
7 The table of sections for chapter 81 is amended by strik-
8 ing the items relating to sections 8117 and 8118 and in-
9 serting the following:

 “8117. Waiting period.

 “8118. Continuation of pay.”.

10 **SEC. 309. ELECTION OF BENEFITS.**

11 (a) **IN GENERAL.—**Section 8116 is amended by add-
12 ing at the end the following:

13 “(e) **RETIREMENT BENEFITS.—**

14 “(1) **IN GENERAL.—**An individual entitled to
15 compensation benefits payable under this subchapter
16 and under chapter 83 or 84 or any other retirement
17 system for employees of the Government, for the
18 same period, shall elect which benefits the individual
19 will receive.

20 “(2) **ELECTION.—**

21 “(A) **DEADLINE.—**An individual shall
22 make an election under paragraph (1) in ac-
23 cordance with such deadlines as the Secretary
24 of Labor shall establish, which shall be a rea-

1 sonable period after the individual has received
2 notice of a final determination that the indi-
3 vidual is entitled to compensation benefits pay-
4 able under this subchapter.

5 “(B) REVOCABILITY.—An election under
6 paragraph (1) shall be revocable, notwith-
7 standing any other provision of law, except for
8 any period during which an individual—

9 “(i) was qualified for benefits payable
10 under both this subchapter and under a re-
11 tirement system described in paragraph
12 (1); and

13 “(ii) was paid benefits under the re-
14 tirement system after having been notified
15 of eligibility for benefits under this sub-
16 chapter.

17 “(3) INFORMED CHOICE.—The Secretary of
18 Labor shall provide information, and shall ensure
19 that information is provided, to an individual de-
20 scribed in paragraph (1) about the benefits available
21 to the individual under this subchapter or under
22 chapter 83 or 84 or any other retirement system re-
23 ferred to in paragraph (1) the individual may elect
24 to receive.”.

1 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
2 Sections 8337(f)(3) and 8464a(a)(3) are each amended by
3 striking “Paragraphs” and inserting “Except as provided
4 under chapter 81, paragraphs”.

5 **SEC. 310. SANCTION FOR NONCOOPERATION WITH FIELD**
6 **NURSES.**

7 Section 8123, as amended by section 307, is amended
8 by adding at the end the following:

9 “(f) FIELD NURSES.—

10 “(1) DEFINITION.—In this subsection, the term
11 ‘field nurse’ means a registered nurse that assists
12 the Secretary in the medical management of dis-
13 ability claims under this subchapter and provides
14 claimants with assistance in coordinating medical
15 care.

16 “(2) AUTHORIZATION.—The Secretary may use
17 field nurses to coordinate medical services and voca-
18 tional rehabilitation programs for injured employees
19 under this subchapter. If an employee refuses to co-
20 operate with a field nurse or obstructs a field nurse
21 in the performance of duties under this subchapter,
22 the right to compensation under this subchapter
23 shall be suspended until the refusal or obstruction
24 stops.”.

1 **SEC. 311. SUBROGATION OF CONTINUATION OF PAY.**

2 (a) IN GENERAL.—Section 8131 is amended—

3 (1) in subsection (a), in the matter preceding
4 paragraph (1), by inserting “continuation of pay or”
5 before “compensation”; and

6 (2) in subsection (b), by inserting “continuation
7 of pay” before compensation; and

8 (3) in subsection (c)—

9 (A) by inserting “continuation of pay or”
10 before “compensation already paid”; and

11 (B) by inserting “continuation of pay or”
12 before “compensation payable”.

13 (b) ADJUSTMENT AFTER RECOVERY FROM A THIRD
14 PERSON.—Section 8132 is amended—

15 (1) in the first sentence—

16 (A) by inserting “continuation of pay or”
17 before “compensation is payable”;

18 (B) by inserting “continuation of pay or”
19 before “compensation from the United States”;

20 (C) by striking “by him or in his behalf”
21 and inserting “by the beneficiary or on behalf
22 of the beneficiary”;

23 (D) by inserting “continuation of pay and”
24 before “compensation paid by the United
25 States”; and

1 (E) by striking “compensation payable to
2 him” and inserting “continuation of pay or
3 compensation payable to the beneficiary”;

4 (2) in the second sentence, by striking “his des-
5 ignee” and inserting “the designee of the bene-
6 ficiary”; and

7 (3) in the fourth sentence, by striking “If com-
8 pensation” and all that follows through “payable to
9 him by the United States” and inserting “If con-
10 tinuation of pay or compensation has not been paid
11 to the beneficiary, the money or property shall be
12 credited against continuation of pay or compensation
13 payable to the beneficiary by the United States”.

14 **SEC. 312. INTEGRITY AND COMPLIANCE.**

15 (a) IN GENERAL.—Subchapter I of chapter 81 is
16 amended by adding at the end the following:

17 **“§ 8153. Integrity and Compliance Program**

18 “(a) DEFINITIONS.—In this section—

19 “(1) the term ‘FECA program’ means the Fed-
20 eral Employees Compensation Program administered
21 under this subchapter;

22 “(2) the term ‘Integrity and Compliance Pro-
23 gram’ means the Integrity and Compliance Program
24 established under subsection (b);

1 “(3) the term ‘provider’ means a provider of
2 medical or other services under the FECA program;
3 and

4 “(4) the term ‘Secretary’ means the Secretary
5 of Labor.

6 “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not
7 later than 270 days after the date of enactment of this
8 section, the Secretary shall establish an Integrity and
9 Compliance Program for the purpose of preventing, identi-
10 fying, and recovering improper payments (including im-
11 proper payments obtained by fraud) for the FECA pro-
12 gram, which shall include—

13 “(1) procedures for identifying potentially im-
14 proper payments (including improper payments ob-
15 tained by fraud) before payment is made to claim-
16 ants and providers, including, where appropriate,
17 predictive analytics;

18 “(2) reviews after payment is made to identify
19 potentially improper payments (including improper
20 payments obtained by fraud) to claimants and pro-
21 viders;

22 “(3) on-going screening and verification proce-
23 dures to ensure the continued eligibility of medical
24 providers to provide services under the FECA pro-

1 gram, including licensure, Federal disbarment, and
2 the existence of relevant criminal convictions;

3 “(4) provision of appropriate information, edu-
4 cation, and training to claimants and providers on
5 requirements to ensure the integrity of the FECA
6 program, including payments under the FECA pro-
7 gram;

8 “(5) appropriate controls and audits to ensure
9 that providers adopt internal controls and proce-
10 dures for compliance with requirements under the
11 FECA program;

12 “(6) procedures to ensure—

13 “(A) initial and continuing eligibility of
14 claimants for compensation, benefits, or services
15 under the FECA program; and

16 “(B) ongoing verification of databases of
17 information relating to claimants to ensure ac-
18 curacy and completeness; and

19 “(7) appropriately sharing and accessing of
20 data and information with other agencies and instru-
21 mentalities of the United States, including the
22 United States Postal Service.

23 “(c) INTERAGENCY COOPERATION ON ANTI-FRAUD
24 EFFORTS.—

1 “(1) IN GENERAL.—In administering the
2 FECA program, including the Integrity and Compli-
3 ance Program, the Secretary shall cooperate with
4 other agencies and instrumentalities of the United
5 States (including the United States Postal Service)
6 and the Inspectors General of such agencies and in-
7 strumentalities to prevent, identify, and recover im-
8 proper payments (including improper payments ob-
9 tained by fraud) under the FECA program.

10 “(2) TASK FORCE.—

11 “(A) IN GENERAL.—There is established a
12 task force, which shall be known as the FECA
13 Integrity and Compliance Task Force (in this
14 paragraph referred to as the ‘Task Force’).

15 “(B) MEMBERSHIP.—The members of the
16 Task Force shall be—

17 “(i) the Secretary, who shall serve as
18 the Chairperson of the Task Force;

19 “(ii) the Postmaster General, who
20 shall serve as the Vice-Chairperson of the
21 Task Force;

22 “(iii) the Attorney General;

23 “(iv) the Director of the Office of
24 Management and Budget;

1 “(v) the Inspector General of the De-
2 partment of Labor;

3 “(vi) the Inspector General of the
4 United States Postal Service;

5 “(vii) the Inspectors General of other
6 appropriate agencies and instrumentalities
7 of the United States that employ a signifi-
8 cant number of individuals receiving com-
9 pensation, benefits, or services under the
10 FECA program, as determined by the
11 Chairperson and Vice-Chairperson of the
12 Task Force; and

13 “(viii) other appropriate Federal offi-
14 cials, as determined by the Chairperson
15 and Vice-Chairperson of the Task Force.

16 “(C) DUTIES.—The Task Force shall—

17 “(i) set forth, in writing, a description
18 of the respective roles and responsibilities
19 in preventing, identifying, recovering, and
20 prosecuting fraud under, and otherwise en-
21 suring integrity and compliance of, the
22 FECA program of—

23 “(I) the Secretary (including sub-
24 ordinate officials such as the Director

1 of the Office of Workers' Compensa-
2 tion Programs);

3 “(II) the Inspector General of
4 the Department of Labor;

5 “(III) the Inspectors General of
6 agencies and instrumentalities of the
7 United States that employ claimants
8 under the FECA program;

9 “(IV) the Attorney General; and

10 “(V) any other relevant officials;

11 “(ii) develop procedures for sharing
12 information of possible fraud under the
13 FECA program or other intentional
14 misstatements by claimants or providers
15 under the FECA program, including proce-
16 dures addressing—

17 “(I) notification of appropriate
18 officials of the Department of Labor
19 of potential fraud or intentional
20 misstatements, including provision of
21 supporting information;

22 “(II) timely and appropriate re-
23 sponse by officials of the Department
24 of Labor to notifications described in
25 subclause (I);

1 “(III) including information and
2 evidence relating to fraud and other
3 intentional misstatements in criminal,
4 civil, and administrative proceedings
5 relating to the provision of compensa-
6 tion, benefits, or medical services (in-
7 cluding payments to providers) under
8 the FECA program;

9 “(IV) the coordination of crimi-
10 nal investigations with the administra-
11 tion of the FECA program; and

12 “(V) protecting information re-
13 lating to an investigation of possible
14 fraud under the FECA program from
15 potential disclosure, including require-
16 ments that enable investigative files to
17 be appropriately separated from case
18 management files;

19 “(iii) not later than 1 year after the
20 date of enactment of this section, submit
21 to the Committee on Homeland Security
22 and Governmental Affairs of the Senate
23 and the Committee on Oversight and Gov-
24 ernment Reform and the Committee on
25 Education and Labor of the House of Rep-

1 representatives a report that includes the de-
2 scription and procedures required under
3 clauses (i) and (ii).

4 “(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATA-
5 BASES.—

6 “(1) IN GENERAL.—The Secretary, the Post-
7 master General, the Inspector General of the United
8 States Postal Service, and the Inspector General of
9 the Department of Labor shall have access to and
10 make use of the agency databases described in this
11 subsection in order to improve compliance with the
12 requirements under and the integrity of the FECA
13 program.

14 “(2) SOCIAL SECURITY EARNINGS INFORMA-
15 TION.—

16 “(A) IN GENERAL.—Notwithstanding sec-
17 tion 552a or any other provision of Federal or
18 State law, upon written request, the Commis-
19 sioner of Social Security shall make available to
20 the Secretary, the Inspector General of the De-
21 partment of Labor, the Postmaster General,
22 and the Inspector General of the United States
23 Postal Service the Social Security earnings in-
24 formation of a living or deceased employee re-

1 quired by the Secretary to carry out this sub-
2 chapter.

3 “(B) PROCEDURES.—The Secretary shall
4 establish procedures for correlating the identity
5 and status of recipients of compensation, bene-
6 fits, or services under this subchapter with So-
7 cial Security earnings information described in
8 subparagraph (A).

9 “(3) OFFICE OF PERSONNEL MANAGEMENT
10 FEDERAL RETIREE DATABASE.—Notwithstanding
11 section 552a or any other provision of Federal or
12 State law, upon written request, the Director of the
13 Office of Personnel Management shall make avail-
14 able to the Secretary, the Inspector General of the
15 Department of Labor, the Postmaster General, and
16 the Inspector General of the United States Postal
17 Service the information in the databases of Federal
18 employees and retirees maintained by the Director.

19 “(4) DEPARTMENT OF VETERANS AFFAIRS
20 BENEFICIARIES DATABASE.—Notwithstanding sec-
21 tion 552a or any other provision of Federal or State
22 law, upon written request, the Secretary of Veterans
23 Affairs shall make available to the Secretary, the In-
24 specter General of the Department of Labor, the
25 Postmaster General, and the Inspector General of

1 the United States Postal Service the information in
2 the database of disabled individuals maintained by
3 the Secretary of Veterans Affairs.

4 “(5) NATIONAL DIRECTORY OF NEW HIRES.—
5 Notwithstanding section 552a, section 453(j) of the
6 Social Security Act (42 U.S.C. 653(j)), or any other
7 provision of Federal or State law, upon written re-
8 quest, the Secretary of Health and Human Services
9 shall make available to the Secretary, the Inspector
10 General of the Department of Labor, the Postmaster
11 General, the Inspector General of the United States
12 Postal Service, and the Comptroller General of the
13 United States the information in the National Direc-
14 tory of New Hires.

15 “(6) PROVISION.—Information requested under
16 this subsection shall be provided—

17 “(A) in a timely manner;

18 “(B) at a reasonable cost to the Secretary,
19 the Inspector General of the Department of
20 Labor, the Postmaster General, the Inspector
21 General of the United States Postal Service, or
22 the Comptroller General of the United States;
23 and

24 “(C) in the manner, frequency, and form
25 reasonably specified by the officer making the

1 request, which, upon request, shall include elec-
2 tronic form.

3 “(7) ASSESSMENT OF DATA COST-EFFECTIVE-
4 NESS.—

5 “(A) IN GENERAL.—The Secretary shall
6 consider and assess procedures for correlating
7 the identity and status of recipients of com-
8 pensation, benefits, or services under this sub-
9 chapter with information relating to employees,
10 retirees, and individuals described in para-
11 graphs (3), (4), and (5).

12 “(B) REPORT.—Not later than 1 year
13 after the date of enactment of this section, the
14 Secretary shall submit to the Committee on
15 Homeland Security and Governmental Affairs
16 of the Senate and the Committee on Oversight
17 and Government Reform and the Committee on
18 Education and Labor of the House of Rep-
19 resentatives a report on the cost-effectiveness of
20 the use of the databases described in para-
21 graphs (3), (4), and (5) for program compliance
22 and integrity. The report required under this
23 subparagraph may be included as part of the
24 report required under subsection (f).

1 “(8) UNITED STATES POSTAL SERVICE FECA
2 ENROLLEE DATABASE.—Not later than 180 days
3 after the date of enactment of this section, in order
4 to track, verify, and communicate with the Secretary
5 and other relevant entities, the Postmaster General
6 shall establish an electronic database of information
7 relating to employees of the United States Postal
8 Service who have applied for or are receiving com-
9 pensation, benefits, or services under this sub-
10 chapter.

11 “(e) GENERAL PROTOCOLS AND SECURITY.—

12 “(1) ESTABLISHMENT.—

13 “(A) IN GENERAL.—In order to ensure
14 strong information security and privacy stand-
15 ards, the Secretary, the Postmaster General,
16 the Inspector General of the Department of
17 Labor, and the Inspector General of the United
18 States Postal Service shall establish protocols
19 for the secure transfer and storage of any infor-
20 mation provided to an individual or entity
21 under this section.

22 “(B) CONSIDERATIONS.—In establishing
23 protocols under subparagraph (A), the Sec-
24 retary, the Postmaster General, the Inspector
25 General of the Department of Labor, and the

1 Inspector General of the United States Postal
2 Service shall consider any recommendations
3 submitted to the Secretary by the Inspector
4 General of the Department of Health and
5 Human Services with respect to the secure
6 transfer and storage of information, and to
7 comply with privacy laws and best practices.

8 “(C) FRAUD CASE PROTECTION.—The Sec-
9 retary, the Postmaster General, the Inspector
10 General of the Department of Labor, and the
11 Inspector General of the United States Postal
12 Service shall establish protocols and procedures
13 to enable information and materials relating to
14 an active investigation of possible fraud relating
15 to the FECA program to be appropriately kept
16 separate from the files for employees relating to
17 the provision of compensation, benefits, or serv-
18 ices under the FECA program.

19 “(2) COMPLIANCE.—The Secretary, the Post-
20 master General, the Inspector General of the De-
21 partment of Labor, and the Inspector General of the
22 United States Postal Service shall ensure that any
23 information provided to an individual or entity under
24 this section is provided in accordance with protocols
25 established under paragraph (1).

1 “(f) REPORT.—Not later than 1 year after the date
2 of enactment of this section, and annually thereafter for
3 5 years, the Secretary shall submit a report on the activi-
4 ties of the Secretary under this section, including imple-
5 mentation of the Integrity and Compliance Program, to—

6 “(1) the Committee on Homeland Security and
7 Governmental Affairs of the Senate; and

8 “(2) the Committee on Oversight and Govern-
9 ment Reform and the Committee on Education and
10 Labor of the House of Representatives.

11 “(g) GAO REVIEW.—The Comptroller General of the
12 United States shall—

13 “(1) conduct periodic reviews of the Integrity
14 and Compliance Program; and

15 “(2) submit reports on the results of the re-
16 views under paragraph (1) to the Committee on
17 Homeland Security and Governmental Affairs of the
18 Senate and the Committee on Oversight and Govern-
19 ment Reform and the Committee on Education and
20 Labor of the House of Representatives not later
21 than—

22 “(A) 2 years after the date of enactment
23 of this section; and

24 “(B) 3 years after submission of the report
25 under subparagraph (A).”.

1 (b) TECHNICAL AND CONFORMING AMENDMENT.—

2 The table of sections for chapter 81 is amended by insert-

3 ing after the item relating to section 8152 the following:

“8153. Integrity and Compliance Program.”.

4 **SEC. 313. AMOUNT OF COMPENSATION.**

5 (a) INJURIES TO FACE, HEAD, AND NECK.—Section

6 8107(c)(21) is amended—

7 (1) by striking “not to exceed \$3,500” and in-

8 serting “in proportion to the severity of the dis-

9 figurement, not to exceed \$50,000,”; and

10 (2) by adding at the end the following: “The

11 maximum amount of compensation under this para-

12 graph shall be increased on March 1 of each year by

13 the amount determined by the Secretary of Labor to

14 represent the percent change in the price index pub-

15 lished for December of the preceding year over the

16 price index published for the December of the year

17 prior to the preceding year, adjusted to the nearest

18 one-tenth of 1 percent.”.

19 (b) FUNERAL EXPENSES.—Section 8134(a) is

20 amended—

21 (1) by striking “\$800” and inserting “\$6,000”;

22 and

23 (2) by adding at the end the following: “The

24 maximum amount of compensation under this sub-

25 section shall be increased on March 1 of each year

1 by the amount determined by the Secretary of Labor
2 to represent the percent change in the price index
3 published for December of the preceding year over
4 the price index published for the December of the
5 year prior to the preceding year, adjusted to the
6 nearest one-tenth of 1 percent.”.

7 (c) APPLICATION.—The amendments made by this
8 section shall apply to injuries or deaths, respectively, oc-
9 ccurring on or after the date of enactment of this Act.

10 **SEC. 314. TECHNICAL AND CONFORMING AMENDMENTS.**

11 Chapter 81 is amended—

12 (1) in section 8101(1)(D), by inserting “for an
13 injury that occurred before the effective date of sec-
14 tion 204(e) of the District of Columbia Self-Govern-
15 ment and Governmental Reorganization Act (Public
16 Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)”
17 before the semicolon;

18 (2) in section 8139, by inserting “under this
19 subchapter” after “Compensation awarded”;

20 (3) in section 8148(a), by striking “section
21 8106” and inserting “section 8106a”;

22 **SEC. 315. REGULATIONS.**

23 (a) IN GENERAL.—As soon as possible after the date
24 of enactment of this Act, the Secretary of Labor shall pro-

1 mulgate regulations (which may include interim final reg-
2 ulations) to carry out this title.

3 (b) CONTENTS.—The regulations promulgated under
4 subsection (a) shall include, for purposes of the amend-
5 ments made by sections 302 and 303, clarification of—

6 (1) what is a claim; and

7 (2) what is the date on which a period of dis-
8 ability, for which a claim is made, commences.

9 **TITLE IV—OTHER MATTERS**

10 **SEC. 401. PROFITABILITY PLAN.**

11 (a) PLAN REQUIRED.—Not later than 90 days after
12 the date of enactment of this Act, the Postal Service shall
13 submit to the Committee on Homeland Security and Gov-
14 ernmental Affairs of the Senate, the Committee on Over-
15 sight and Government Reform of the House of Represent-
16 atives, the Comptroller General of the United States, and
17 the Commission a plan describing, in detail, the actions
18 the Postal Service will take to—

19 (1) become profitable by fiscal year 2015; and

20 (2) achieve long-term financial solvency.

21 (b) CONSIDERATIONS.—The plan required under sub-
22 section (a) shall take into consideration—

23 (1) the legal authority of the Postal Service;

24 (2) the changes in the legal authority and re-
25 sponsibilities of the Postal Service under this Act;

1 (3) any cost savings that the Postal Service an-
2 ticipates will be achieved through negotiations with
3 employees of the Postal Service; and

4 (4) projected changes in mail volume.

5 (c) UPDATES.—The Postal Service shall update the
6 plan required under subsection (a) not less frequently than
7 quarterly, until the last quarter of fiscal year 2015.

8 **SEC. 402. POSTAL RATES.**

9 (a) COMMISSION STUDY.—

10 (1) IN GENERAL.—Not earlier than 2 years
11 after the date of enactment of this Act, the Commis-
12 sion shall commence a study to determine—

13 (A) whether and to what extent any mar-
14 ket-dominant classes, products, or types of mail
15 services do not bear the direct and indirect
16 costs attributable to those classes, products, or
17 types of mail service; and

18 (B) the impact of any excess mail proc-
19 essing, transportation, or delivery capacity of
20 the Postal Service on the direct and indirect
21 costs attributable to any class, product, or type
22 of mail service that bears less than 100 percent
23 of the costs attributable to the class, product,
24 or type of mail service, as determined under
25 subparagraph (A).

1 (2) REQUIREMENTS.—The Commission shall
2 conduct the study under paragraph (1) in a manner
3 that protects confidential and proprietary business
4 information.

5 (3) HEARING.—Before completing the study
6 under paragraph (1), the Commission shall hold a
7 public hearing, on the record, in order to better in-
8 form the conclusions of the study. The Postal Serv-
9 ice, postal customers, and other interested persons
10 may participate in the hearing under this paragraph.

11 (4) COMPLETION.—Not later than 6 months
12 after the date on which the Commission commences
13 the study under subsection (a), the Commission shall
14 complete the study.

15 (b) ANNUAL UPDATES REQUIRED.—Not later than
16 1 year after the date of completion of the study under
17 subsection (a), and annually thereafter, the Commission
18 shall—

19 (1) determine whether any class of mail bears
20 less than 100 percent of the direct and indirect costs
21 attributable to the class, product, or type of mail
22 service, in the same manner as under subsection
23 (a)(1)(A);

1 (2) for any class of mail for which the Commis-
2 sion makes a determination under paragraph (1),
3 update the study under subsection (a); and

4 (3) include the study updated under paragraph
5 (2) in the annual written determination of the Com-
6 mission under section 3653 of title 39, United
7 States Code.

8 (c) POSTAL RATES.—

9 (1) DEFINITION.—In this subsection, the term
10 “loss-making”, as used with respect to a class of
11 mail, means a class of mail that bears less than 100
12 percent of the costs attributable to the class of mail,
13 according to the most recent annual determination
14 of the Commission under subsection (a)(1) or (b)(1),
15 adjusted to account for the quantitative effect of ex-
16 cess mail processing, transportation, or delivery ca-
17 pacity of the Postal Service on the costs attributable
18 to the class of mail.

19 (2) IN GENERAL.—Not later than 1 year after
20 the date on which the study under subsection (a) is
21 completed, and annually thereafter, the Postal Serv-
22 ice shall establish postal rates for each loss-making
23 class of mail.

24 (3) CONSIDERATIONS.—The Postal Service may
25 establish postal rates under paragraph (2) in a man-

1 ner that ensures, to the extent practicable, that a
2 class of mail described in paragraph (2) is not loss-
3 making by—

4 (A) using the authority to increase rates
5 under section 3622(d)(1)(A) of title 39, United
6 States Code;

7 (B) exhausting any unused rate adjust-
8 ment authority, as defined in section
9 3622(d)(2)(C) of title 39, United States Code,
10 subject to paragraph (4); and

11 (C) maximizing incentives to reduce costs
12 and increase efficiency with regard to the proc-
13 essing, transportation, and delivery of such mail
14 by the Postal Service.

15 (4) UNUSED RATE ADJUSTMENT AUTHORITY.—
16 Section 3622(d)(2)(C) of title 39, United States
17 Code, shall be applied by annually increasing by 2
18 percentage points any unused rate adjustment au-
19 thority for a class of mail that bears less than 90
20 percent of the costs attributable to the class of mail,
21 according to the most recent annual determination
22 of the Commission under subsection (a)(1) or (b)(1),
23 adjusted to account for the quantitative effect of ex-
24 cess mail processing, transportation, or delivery ca-

1 capacity of the Postal Service on the costs attributable
2 to the class of mail.

3 **SEC. 403. COOPERATION WITH STATE AND LOCAL GOVERN-**
4 **MENTS; INTRA-SERVICE AGREEMENTS.**

5 (a) COOPERATION WITH STATE AND LOCAL GOV-
6 ERNMENTS.—Section 411 of title 39, United States Code,
7 is amended, in the first sentence by striking “and the Gov-
8 ernment Printing Office” inserting “, the Government
9 Printing Office, and agencies and other units of State and
10 local governments”.

11 (b) INTRA-SERVICE AGREEMENTS.—Section 411 of
12 title 39, United States Code, as amended by subsection
13 (a), is amended—

14 (1) in the section heading, by adding at the end
15 the following: “**and within the Postal Serv-**
16 **ice**”;

17 (2) in the second sentence, by striking “sec-
18 tion” and inserting “subsection”;

19 (3) by striking “Executive agencies” and insert-
20 ing the following:

21 “(a) COOPERATION WITH STATE AND LOCAL GOV-
22 ERNMENTS.—Executive agencies”; and

23 (4) by adding at the end the following:

24 “(b) COOPERATION WITHIN THE POSTAL SERV-
25 ICE.—The Office of the Inspector General and other com-

ponents of the Postal Service may enter into agreements to furnish to each other property, both real and personal, and personal and nonpersonal services. The furnishing of property and services under this subsection shall be under such terms and conditions, including reimbursability, as the Inspector General and the head of the component concerned shall deem appropriate.”.

(c) TECHNICAL AND CONFORMING AMENDMENT.—
The table of sections for chapter 4 of title 39, United States Code, is amended by striking the item relating to section 411 and inserting the following:

“411. Cooperation with other Government agencies and within the Postal Service.”.

SEC. 404. SHIPPING OF WINE AND BEER.

(a) MAILABILITY.—

(1) NONMAILABLE ARTICLES.—Section 1716(f) of title 18, United States Code, is amended by striking “mails” and inserting “mails, except to the extent that the mailing is allowable under section 3001(p) of title 39”.

(2) APPLICATION OF LAWS.—Section 1161 of title 18, United States Code, is amended, by inserting “, and, with respect to the mailing of wine or malt beverages (as those terms are defined in section 117 of the Federal Alcohol Administration Act (27

1 U.S.C. 211)), is in conformity with section 3001(p)
2 of title 39” after “Register”.

3 (b) REGULATIONS.—Section 3001 of title 39, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 “(p)(1) In this subsection, the terms ‘wine’ and ‘malt
7 beverage’ have the same meanings as in section 117 of
8 the Federal Alcohol Administration Act (27 U.S.C. 211).

9 “(2) Wine or malt beverages shall be considered mail-
10 able if mailed—

11 “(A) by a licensed winery or brewery, in accord-
12 ance with applicable regulations under paragraph
13 (3); and

14 “(B) in accordance with the law of the State,
15 territory, or district of the United States where the
16 addressee or duly authorized agent takes delivery.

17 “(3) The Postal Service shall prescribe such regula-
18 tions as may be necessary to carry out this subsection,
19 including regulations providing that—

20 “(A) the mailing shall be by a means estab-
21 lished by the Postal Service to ensure direct delivery
22 to the addressee or a duly authorized agent;

23 “(B) the addressee (and any duly authorized
24 agent) shall be an individual at least 21 years of
25 age;

1 “(C) the individual who takes delivery, whether
2 the addressee or a duly authorized agent, shall
3 present a valid, government-issued photo identifica-
4 tion at the time of delivery;

5 “(D) the wine or malt beverages may not be for
6 resale or other commercial purpose; and

7 “(E) the winery or brewery involved shall—

8 “(i) certify in writing to the satisfaction of
9 the Postal Service, through a registration proc-
10 ess administered by the Postal Service, that the
11 mailing is not in violation of any provision of
12 this subsection or regulation prescribed under
13 this subsection; and

14 “(ii) provide any other information or af-
15 firmation that the Postal Service may require,
16 including with respect to the prepayment of
17 State alcohol beverage taxes.

18 “(4) For purposes of this subsection—

19 “(A) a winery shall be considered to be licensed
20 if it holds an appropriate basic permit issued—

21 “(i) under the Federal Alcohol Administra-
22 tion Act; and

23 “(ii) under the law of the State in which
24 the winery is located; and

1 “(B) a brewery shall be considered to be li-
2 censed if—

3 “(i) it possesses a notice of registration
4 and bond approved by the Alcohol and Tobacco
5 Tax and Trade Bureau of the Department of
6 the Treasury; and

7 “(ii) it is licensed to manufacture and sell
8 malt beverages in the State in which the brew-
9 ery is located.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on the earlier of—

12 (1) the date on which the Postal Service issues
13 regulations under section 3001(p) of title 39, United
14 States Code, as amended by this section; and

15 (2) 120 days after the date of enactment of this
16 Act.

17 **SEC. 405. ANNUAL REPORT ON UNITED STATES MAILING IN-**
18 **DUSTRY.**

19 (a) IN GENERAL.—Chapter 24 of title 39, United
20 States Code, is amended by adding at the end the fol-
21 lowing:

22 **“§ 2403. Annual report on the fiscal stability of the**
23 **United States mailing industry**

24 “(a) IN GENERAL.—Not later than 1 year after the
25 date of enactment of this section, and annually thereafter,

1 the Postal Regulatory Commission shall submit a report
2 on the fiscal stability of the United States mailing indus-
3 try with respect to the preceding fiscal year to—

4 “(1) the Committee on Homeland Security and
5 Governmental Affairs of the Senate; and

6 “(2) the Committee on Oversight and Govern-
7 ment Reform of the House of Representatives.

8 “(b) ASSISTANCE.—The United States Postal Service
9 and any Federal agency involved in oversight or data col-
10 lection regarding industry sectors relevant to the report
11 under subsection (a) shall provide any assistance to the
12 Postal Regulatory Commission that the Postal Regulatory
13 Commission determines is necessary in the preparation of
14 a report under subsection (a).”.

15 (b) TECHNICAL AND CONFORMING AMENDMENT.—
16 The table of sections for chapter 24 of title 39, United
17 States Code, is amended by adding at the end the fol-
18 lowing:

“2403. Annual report on the fiscal stability of the United States mailing indus-
try.”.

19 **SEC. 406. USE OF NEGOTIATED SERVICE AGREEMENTS.**

20 Section 3622 of title 39, United States Code, is
21 amended—

22 (1) in subsection (c)(10)(A)—

23 (A) in the matter preceding clause (i), by
24 striking “either” and inserting “will”;

1 (B) in clause (i), by striking “or” at the
2 end;

3 (C) in clause (ii), by striking “and” at the
4 end and inserting “or”; and

5 (D) by adding at the end the following:

6 “(iii) preserve mail volume and rev-
7 enue; and”; and

8 (2) by adding at the end the following:

9 “(g) COORDINATION.—The Postal Service and the
10 Postal Regulatory Commission shall coordinate actions to
11 identify methods to increase the use of negotiated service
12 agreements for market-dominant products by the Postal
13 Service consistent with subsection (c)(10).”.

14 **SEC. 407. CONTRACT DISPUTES.**

15 Section 7101(8) of title 41, United States Code, is
16 amended—

17 (1) in subparagraph (C), by striking “and” at
18 the end;

19 (2) in subparagraph (D), by striking the period
20 at the end and inserting “; and”; and

21 (3) by adding at the end the following:

22 “(E) the United States Postal Service and
23 the Postal Regulatory Commission.”.

1 **SEC. 408. CONTRACTING PROVISIONS.**

2 (a) IN GENERAL.—Part I of title 39, United States
3 Code, is amended by adding at the end the following:

4 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for noncompetitive contracts.

“705. Review of ethical issues.

“706. Ethical restrictions on participation in certain contracting activity.

5 **“§ 701. Definitions**

6 “In this chapter—

7 “(1) the term ‘contracting officer’ means an
8 employee of a covered postal entity who has author-
9 ity to enter into a postal contract;

10 “(2) the term ‘covered postal entity’ means—

11 “(A) the United States Postal Service; or

12 “(B) the Postal Regulatory Commission;

13 “(3) the term ‘head of a covered postal entity’
14 means—

15 “(A) in the case of the United States Post-
16 al Service, the Postmaster General; or

17 “(B) in the case of the Postal Regulatory
18 Commission, the Chairman of the Postal Regu-
19 latory Commission;

20 “(4) the term ‘postal contract’ means any con-
21 tract (including any agreement or memorandum of

1 understanding) entered into by a covered postal enti-
2 ty for the procurement of goods or services; and

3 “(5) the term ‘senior procurement executive’
4 means the senior procurement executive of a covered
5 postal entity.

6 **“§ 702. Advocate for competition**

7 “(a) ESTABLISHMENT AND DESIGNATION.—

8 “(1) There is established in each covered postal
9 entity an advocate for competition.

10 “(2) The head of each covered postal entity
11 shall designate for the covered postal entity 1 or
12 more officers or employees (other than the senior
13 procurement executive) to serve as the advocate for
14 competition.

15 “(b) RESPONSIBILITIES.—The advocate for competi-
16 tion of each covered postal entity shall—

17 “(1) be responsible for promoting competition
18 to the maximum extent practicable consistent with
19 obtaining best value by promoting the acquisition of
20 commercial items and challenging barriers to com-
21 petition;

22 “(2) review the procurement activities of the
23 covered postal entity; and

24 “(3) prepare and transmit to the head of each
25 covered postal entity, the senior procurement execu-

1 tive of each covered postal entity, the Board of Gov-
2 ernors of the United States Postal Service, and Con-
3 gress, an annual report describing—

4 “(A) the activities of the advocate under
5 this section;

6 “(B) initiatives required to promote com-
7 petition;

8 “(C) barriers to competition that remain;
9 and

10 “(D) the number of waivers made by each
11 covered postal entity under section 704(c).

12 **“§ 703. Delegation of contracting authority**

13 “(a) IN GENERAL.—

14 “(1) POLICY.—Not later than 60 days after the
15 date of enactment of the 21st Century Postal Serv-
16 ice Act of 2011, the head of each covered postal en-
17 tity shall issue a policy on contracting officer delega-
18 tions of authority for the covered postal entity.

19 “(2) CONTENTS.—The policy issued under
20 paragraph (1) shall require that—

21 “(A) notwithstanding any delegation of au-
22 thority with respect to postal contracts, the ulti-
23 mate responsibility and accountability for the
24 award and administration of postal contracts

1 resides with the senior procurement executive;
2 and

3 “(B) a contracting officer shall maintain
4 an awareness of and engagement in the activi-
5 ties being performed on postal contracts of
6 which that officer has cognizance, notwith-
7 standing any delegation of authority that may
8 have been executed.

9 “(b) POSTING OF DELEGATIONS.—

10 “(1) IN GENERAL.—The head of each covered
11 postal entity shall make any delegation of authority
12 for postal contracts outside the functional con-
13 tracting unit readily available and accessible on the
14 website of the covered postal entity.

15 “(2) EFFECTIVE DATE.—This paragraph shall
16 apply to any delegation of authority made on or
17 after 30 days after the date of enactment of the 21st
18 Century Postal Service Act of 2011.

19 **“§ 704. Posting of noncompetitive purchase requests**
20 **for noncompetitive contracts**

21 “(a) POSTING REQUIRED.—

22 “(1) POSTAL REGULATORY COMMISSION.—The
23 Postal Regulatory Commission shall make the non-
24 competitive purchase request for any noncompetitive
25 award, including the rationale supporting the non-

1 competitive award, publicly available on the website
2 of the Postal Regulatory Commission—

3 “(A) not later than 14 days after the date
4 of the award of the noncompetitive contract; or

5 “(B) not later than 30 days after the date
6 of the award of the noncompetitive contract, if
7 the basis for the award was a compelling busi-
8 ness interest.

9 “(2) UNITED STATES POSTAL SERVICE.—The
10 United States Postal Service shall make the non-
11 competitive purchase request for any noncompetitive
12 award of a postal contract valued at \$250,000 or
13 more, including the rationale supporting the non-
14 competitive award, publicly available on the website
15 of the United States Postal Service—

16 “(A) not later than 14 days after the date
17 of the award; or

18 “(B) not later than 30 days after the date
19 of the award, if the basis for the award was a
20 compelling business interest.

21 “(3) ADJUSTMENTS TO THE POSTING THRESH-
22 OLD FOR THE UNITED STATES POSTAL SERVICE.—

23 “(A) REVIEW AND DETERMINATION.—Not
24 later than January 31 of each year, the United
25 States Postal Service shall—

1 “(i) review the \$250,000 threshold es-
2 tablished under paragraph (2); and

3 “(ii) based on any change in the Con-
4 sumer Price Index for all-urban consumers
5 of the Department of Labor, determine
6 whether an adjustment to the threshold
7 shall be made.

8 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
9 justment under subparagraph (A) shall be made
10 in increments of \$5,000. If the United States
11 Postal Service determines that a change in the
12 Consumer Price Index for a year would require
13 an adjustment in an amount that is less than
14 \$5,000, the United States Postal Service may
15 not make an adjustment to the threshold for
16 the year.

17 “(4) EFFECTIVE DATE.—This subsection shall
18 apply to any noncompetitive contract awarded on or
19 after the date that is 90 days after the date of en-
20 actment of the 21st Century Postal Service Act of
21 2011.

22 “(b) PUBLIC AVAILABILITY.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 the information required to be made publicly avail-
25 able by a covered postal entity under subsection (a)

1 shall be readily accessible on the website of the cov-
2 ered postal entity.

3 “(2) PROTECTION OF PROPRIETARY INFORMA-
4 TION.—A covered postal entity shall—

5 “(A) carefully screen any description of the
6 rationale supporting a noncompetitive award re-
7 quired to be made publicly available under sub-
8 section (a) to determine whether the description
9 includes proprietary data (including any ref-
10 erence or citation to the proprietary data) or se-
11 curity-related information; and

12 “(B) remove any proprietary data or secu-
13 rity-related information before making publicly
14 available a description of the rational sup-
15 porting a noncompetitive award.

16 “(c) WAIVERS.—

17 “(1) WAIVER PERMITTED.—If a covered postal
18 entity determines that making a noncompetitive pur-
19 chase request publicly available would risk placing
20 the United States Postal Service at a competitive
21 disadvantage relative to a private sector competitor,
22 the senior procurement executive, in consultation
23 with the advocate for competition of the covered
24 postal entity, may waive the requirements under
25 subsection (a).

1 “(2) FORM AND CONTENT OF WAIVER.—

2 “(A) FORM.—A waiver under paragraph
3 (1) shall be in the form of a written determina-
4 tion placed in the file of the contract to which
5 the noncompetitive purchase agreement relates.

6 “(B) CONTENT.—A waiver under para-
7 graph (1) shall include—

8 “(i) a description of the risk associ-
9 ated with making the noncompetitive pur-
10 chase request publicly available; and

11 “(ii) a statement that redaction of
12 sensitive information in the noncompetitive
13 purchase request would not be sufficient to
14 protect the United States Postal Service
15 from being placed at a competitive dis-
16 advantage relative to a private sector com-
17 petitor.

18 “(3) DELEGATION OF WAIVER AUTHORITY.—A
19 covered postal entity may not delegate the authority
20 to approve a waiver under paragraph (1) to any em-
21 ployee having less authority than the senior procure-
22 ment executive.

23 **“§ 705. Review of ethical issues**

24 “If a contracting officer identifies any ethical issues
25 relating to a proposed contract and submits those issues

1 and that proposed contract to the designated ethics official
2 for the covered postal entity before the awarding of that
3 contract, that ethics official shall—

4 “(1) review the proposed contract; and

5 “(2) advise the contracting officer on the appro-
6 priate resolution of ethical issues.

7 **“§ 706. Ethical restrictions on participation in certain**
8 **contracting activity**

9 “(a) DEFINITIONS.—In this section—

10 “(1) the term ‘covered employee’ means—

11 “(A) a contracting officer; or

12 “(B) any employee of a covered postal en-
13 tity whose decisionmaking affects a postal con-
14 tract as determined by regulations prescribed
15 by the head of a covered postal entity;

16 “(2) the term ‘covered relationship’ means a
17 covered relationship described in section
18 2635.502(b)(1) of title 5, Code of Federal Regula-
19 tions, or any successor thereto; and

20 “(3) the term ‘final conviction’ means a convic-
21 tion, whether entered on a verdict or plea, including
22 a plea of nolo contendere, for which a sentence has
23 been imposed.

24 “(b) IN GENERAL.—

1 “(1) REGULATIONS.—The head of each covered
2 postal entity shall prescribe regulations that—

3 “(A) require a covered employee to include
4 in the file of any noncompetitive purchase re-
5 quest for a noncompetitive postal contract a
6 written certification that—

7 “(i) discloses any covered relationship
8 of the covered employee; and

9 “(ii) the covered employee will not
10 take any action with respect to the non-
11 competitive purchase request that affects
12 the financial interests of a friend, relative,
13 or person with whom the covered employee
14 is affiliated in a nongovernmental capacity,
15 or otherwise gives rise to an appearance of
16 the use of public office for private gain, as
17 described in section 2635.702 of title 5,
18 Code of Federal Regulations, or any suc-
19 cessor thereto;

20 “(B) require a contracting officer to con-
21 sult with the ethics counsel for the covered
22 postal entity regarding any disclosure made by
23 a covered employee under subparagraph (A)(i),
24 to determine whether participation by the cov-
25 ered employee in the noncompetitive purchase

1 request would give rise to a violation of part
2 2635 of title 5, Code of Federal Regulations
3 (commonly referred to as the ‘Standards of
4 Ethical Conduct for Employees of the Executive
5 Branch’);

6 “(C) require the ethics counsel for a cov-
7 ered postal entity to review any disclosure made
8 by a contracting officer under subparagraph
9 (A)(i) to determine whether participation by the
10 contracting officer in the noncompetitive pur-
11 chase request would give rise to a violation of
12 part 2635 of title 5, Code of Federal Regula-
13 tions (commonly referred to as the ‘Standards
14 of Ethical Conduct for Employees of the Execu-
15 tive Branch’), or any successor thereto;

16 “(D) under subsections (d) and (e) of sec-
17 tion 2635.50 of title 5, Code of Federal Regula-
18 tions, or any successor thereto, require the eth-
19 ics counsel for a covered postal entity to—

20 “(i) authorize a covered employee that
21 makes a disclosure under subparagraph
22 (A)(i) to participate in the noncompetitive
23 postal contract; or

24 “(ii) disqualify a covered employee
25 that makes a disclosure under subpara-

1 graph (A)(i) from participating in the non-
2 competitive postal contract;

3 “(E) require a contractor to timely disclose
4 to the contracting officer in a bid, solicitation,
5 award, or performance of a postal contract any
6 conflict of interest with a covered employee; and

7 “(F) include authority for the head of the
8 covered postal entity to a grant a waiver or oth-
9 erwise mitigate any organizational or personal
10 conflict of interest, if the head of the covered
11 postal entity determines that the waiver or miti-
12 gation is in the best interests of the Postal
13 Service.

14 “(2) POSTING OF WAIVERS.—Not later than 30
15 days after the head of a covered postal entity grants
16 a waiver described in paragraph (1)(F), the head of
17 the covered postal entity shall make the waiver pub-
18 licly available on the website of the covered postal
19 entity.

20 “(c) CONTRACT VOIDANCE AND RECOVERY.—

21 “(1) UNLAWFUL CONDUCT.—In any case in
22 which there is a final conviction for a violation of
23 any provision of chapter 11 of title 18 relating to a
24 postal contract, the head of a covered postal entity
25 may—

1 “(A) void that contract; and

2 “(B) recover the amounts expended and
3 property transferred by the covered postal enti-
4 ty under that contract.

5 “(2) OBTAINING OR DISCLOSING PROCUREMENT
6 INFORMATION.—

7 “(A) IN GENERAL.—In any case where a
8 contractor under a postal contract fails to time-
9 ly disclose a conflict of interest to the appro-
10 priate contracting officer as required under the
11 regulations promulgated under subsection
12 (b)(1)(D), the head of a covered postal entity
13 may—

14 “(i) void that contract; and

15 “(ii) recover the amounts expended
16 and property transferred by the covered
17 postal entity under that contract.

18 “(B) CONVICTION OR ADMINISTRATIVE DE-
19 TERMINATION.—A case described under sub-
20 paragraph (A) is any case in which—

21 “(i) there is a final conviction for an
22 offense punishable under section 27(e) of
23 the Office of Federal Procurement Policy
24 Act (41 U.S.C. 423(e)); or

1 “(ii) the head of a covered postal enti-
2 ty determines, based upon a preponderance
3 of the evidence, that the contractor or
4 someone acting for the contractor has en-
5 gaged in conduct constituting an offense
6 punishable under section 27(e) of that
7 Act.”.

8 (b) TECHNICAL AND CONFORMING AMENDMENT.—
9 The table of chapters for part I of title 39, United States
10 Code, is amended by adding at the end the following:

“7. Contracting Provisions 701”.